

1 **State of Arkansas**
2 **78th General Assembly**
3 **Second Extraordinary Session, 1992**
4 **By: Senator S. Bell**

Call Item 2
A Bill ACT 6 OF 1992
SENATE BILL 10

For An Act To Be Entitled

8 "AN ACT TO LIMIT THE AMOUNT OF TWO PERCENT (2%) DISCOUNT
9 AVAILABLE TO AN ARKANSAS RETAILER; TO IMPOSE A PENALTY FOR
10 FAILURE TO PAY TAX PREPAYMENTS; AND FOR OTHER PURPOSES."

Subtitle

13 "AN ACT TO LIMIT THE 2% DISCOUNT AVAILABLE TO RETAILERS."

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

17 SECTION 1. Ark. Code Ann. §26-52-503 is hereby amended to add a new
18 subsection to read as follows:

19 "(c) (1) For tax payments made on or after February 1, 1993, the
20 discount for prompt payment shall not exceed one thousand dollars (\$1,000.00)
21 per month for taxpayers filing monthly gross receipts tax reports. Taxpayers
22 filing a tax report on a quarterly, annual or occasional basis shall be
23 entitled to the discount which shall not exceed one thousand dollars (\$1,000)
24 for each month included in the tax report.

25 (2) (A) The aggregate discount available to a taxpayer who
26 operates more than one permitted business location within this state and who
27 does not file a consolidated monthly gross receipts tax report for all
28 locations shall not exceed one thousand dollars (\$1,000) per month.

29 (B) In the case of a corporate taxpayer (parent
30 corporation) that holds fifty percent (50%) or more of the outstanding shares
31 of one or more corporations (subsidiaries) which are subject to the tax
32 imposed by Ark. Code Ann. §26-52-101 et seq., the aggregate discount available
33 to the parent corporation and all subsidiaries shall not exceed one thousand
34 dollars (\$1,000) per month.

35 (3) *If the Arkansas Public Service Commission determines that a public*
36 *utility is charging rates which reflect a dollar effect related to the*

1 discount allowed under Ark. Code Ann. §26-52-503 or Ark. Code Ann. §26-52-512
2 prior to the effective date of this act, the Commission shall, upon
3 application by the utility, change the rates of the utility to recover an
4 amount equal to the differential between the discount provided pursuant to
5 Ark. Code Ann. §26-52-503 or Ark. Code Ann. §26-52-512 prior to the effective
6 date of this act and the discount provided by this act. If an application by
7 a public utility to change rates reflects only the reduction in revenues
8 resulting from this act, the utility shall not be required to give sixty (60)
9 days notice under Arkansas Code Annotated §23-4-401 of its intention to change
10 its rates, and the proposed change in rates shall not be subject to suspension
11 under Arkansas Code Annotated §23-4-407 pending approval by the Commission."
12

13 SECTION 2. Ark Code Ann. §26-52-512(b) is hereby amended to read as
14 follows:

15 "(b) (1) Every taxpayer who timely remits the two prepayments required
16 by subsection (a) and who timely files and pays his monthly gross receipts tax
17 report, shall be entitled to a discount. The discount shall be the lesser of
18 two percent (2%) of the reported monthly gross tax, or one thousand dollars
19 (\$1,000). This discount limitation shall apply to tax prepayments due on or
20 after January 12, 1993 and to monthly tax reports due on or after February
21 20, 1993.

22 (2) Failure to pay tax prepayments when due shall result in the
23 assessment of a penalty equal to five percent (5%) of the amount of each
24 required tax prepayment.

25 (3) (A) The aggregate discount available to a taxpayer who
26 operates more than one permitted business location within this state and who
27 does not file a consolidated monthly gross receipts tax report for all
28 locations shall not exceed one thousand dollars (\$1,000) per month.

29 (B) In the case of a corporate taxpayer (parent
30 corporation) that holds fifty percent (50%) or more of the outstanding shares
31 of one or more corporations (subsidiaries) which are subject to the tax
32 imposed by Ark. Code Ann. §26-52-101 et seq., the aggregate discount available
33 to the parent corporation and all subsidiaries shall not exceed one thousand
34 dollars (\$1,000) per month.

35 (4) If the Arkansas Public Service Commission determines that a public

1 utility is charging rates which reflect a dollar effect related to the
 2 discount allowed under Ark. Code Ann. §26-52-503 or Ark. Code Ann. §26-52-512
 3 prior to the effective date of this act, the Commission shall, upon
 4 application by the utility, change the rates of the utility to recover an
 5 amount equal to the differential between the discount provided pursuant to
 6 Ark. Code Ann. §26-52-503 or Ark. Code Ann. §26-52-512 prior to the effective
 7 date of this act and the discount provided by this act. If an application by
 8 a public utility to change rates reflects only the reduction in revenues
 9 resulting from this act, the utility shall not be required to give sixty (60)
 10 days notice under Arkansas Code Annotated §23-4-401 of its intention to change
 11 its rates, and the proposed change in rates shall not be subject to suspension
 12 under Arkansas Code Annotated §23-4-407 pending approval by the Commission."
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14 SECTION 3. All provisions of this act of a general and permanent nature
 15 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 16 Revision Commission shall incorporate the same in the Code.

17
 18 SECTION 4. If any provision of this act or the application thereof to
 19 any person or circumstance is held invalid, such invalidity shall not affect
 20 other provisions or applications of the act which can be given effect without
 21 the invalid provision or application, and to this end the provisions of this
 22 act are declared to be severable.

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 24 SECTION 5. All laws and parts of laws in conflict with this act are
 25 hereby repealed.

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 27 SECTION 6. EMERGENCY CLAUSE. It is hereby found and determined by the
 28 General Assembly that the State of Arkansas is in serious need of additional
 29 revenues which are necessary to provide adequate funding for essential
 30 services required by the citizens of this State and that the provisions of
 31 this act are necessary to increase State revenues. Therefore, an emergency is
 32 hereby declared to exist and this act being necessary for the preservation of
 33 the public peace, health and safety shall be in full force and effect from and
 34 after its passage and approval.

35 /s/S. Bell

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