

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1146**

**Bill Subtitle: TO PROTECT ARKANSAS TAXPAYERS FROM A TAX TO COLLECT TAXES.**

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### Basic Change :

**Sponsors: Rep. Underwood and Sen. Dotson**

HB1146 removes the \$50 fee required for the issuance of an Arkansas gross receipts tax (sales tax) permit. Currently, an applicant for a gross receipts tax permit is required to submit a \$50 nonrefundable fee with their application. HB1146 removes the fee requirement so that no fee will be required to apply for a new gross receipts tax permit.

### Revenue Impact :

**FY2024**

#### **Total Approximate Permit Fee Loss**

(Estimated Effective Date 7/1/23 --- 6 months reduced tax collection)

State Central Services - **\$ - 213,000**

**FY2025**

#### **Total Approximate Permit Fee Loss**

State Central Services - **\$ - 430,000**

[ HB1146 does not provide an effective date. For purposes of the Revenue Impact below, an effective date of July 1, 2023 is assumed. ]

### Taxpayer Impact :

An applicant seeking an Arkansas gross receipts tax permit with the Department of Finance and Administration (DFA) would no longer be required to submit the \$50 registration fee.

### Resources Required :

The programming cost required to remove the sales tax permit application fee from the Arkansas Taxpayer Access Point (ATAP) and Arkansas Integrated System (AIRS) Tax is \$8,000.

### Time Required :

Adequate time is provided for implementation.

### Procedural Changes :

None.

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**Other Comments :**

None.

**Legal Analysis :**

None.