

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **First Extraordinary Session, 1992**  
4 **By: Representative J. Miller**

Call Item 16  
**A BILL ACT 74 OF 1992**  
HOUSE BILL 1012

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6  
7 **For An Act To Be Entitled**

8 "AN ACT TO LEVY AN EXCISE TAX UPON THE GROSS RECEIPTS  
9 DERIVED FOR THE DELIVERY OF PERSONAL CARE SERVICES; AND  
10 FOR OTHER PURPOSES."

11

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

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14 *SECTION 1. As used in this act:*

15 (1) *"Department" means the Department of Human Services;*

16 (2) *"Director" means the Director of the Department of Human Services;*

17 (3) *"Gross Receipts" means all payments for personal care services;*

18 (4) *"Personal Care Services" means:*

19 (A) *Physician prescribed non-skilled services pertaining to an*  
20 *individual's functional abilities which enable the individual to avoid*  
21 *institutional medical care.*

22 (B) *Personal care services include the following:*

23 (i) *Basic personal care and grooming, including bathing,*  
24 *care of the hair and assistance with clothing.*

25 (ii) *Assisting the client to and from the bathroom.*

26 (iii) *Assistance with food, nutrition and diet activities,*  
27 *including preparation of meals.*

28 (iv) *Performance of incidental household services essential*  
29 *to the client's health and comfort in his or her home. Examples of such*  
30 *activities are changing the bed linens or rearranging furniture to enable the*  
31 *client to move about more easily in his or her home.*

32 (v) *Transportation of the client to and from her or his*  
33 *physician or medical facility for necessary medical services.*

34 (C) *Personal care services do not include skilled home health*  
35 *aide care or any other skilled services provided pursuant to a Class A Home*  
36 *Health Care Services Agency license issued by the Arkansas State Health*

1 Department or care provided in a nursing facility or residential care  
2 facility.

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4 SECTION 2. There is levied an excise tax of twelve and one-half percent  
5 (12.5%) upon the gross proceeds of gross receipts derived from the delivery of  
6 personal care services. This tax shall be in addition to any other tax now or  
7 hereinafter in effect.

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9 SECTION 3. The tax imposed by this act shall apply solely and  
10 exclusively to payments for the delivery of personal care services.

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12 SECTION 4. The administration of this act is vested and shall be  
13 exercised by the Director of the Department of Human Services who shall  
14 promulgate rules and regulations and prescribe forms for the proper  
15 implementation and enforcement of this act. The Department shall send tax  
16 bills to any provider delivering personal care services. The Department shall  
17 account for all payments of tax, interest and penalty and shall collect any  
18 delinquent tax, interest and penalty. Taxpayers shall file all returns and  
19 remit any tax due on those returns to the Director of the Department of  
20 Finance and Administration. The Director of the Department of Finance and  
21 Administration shall make available to the Department funds received under  
22 this act for deposit into the Department of Human Services Grants Fund  
23 Account. All returns received by the Director of the Department of Finance  
24 and Administration shall be forwarded to the Director for processing.

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26 SECTION 5. (a) The tax levied by this act shall be paid quarterly.  
27 Each provider subject to tax pursuant to this act shall file a return and  
28 remit any tax due to the Director of the Department of Finance and  
29 Administration on or before the fortieth (40th) day following the last day of  
30 the quarter.

31 (b) For the purpose of ascertaining the amount of tax payable under  
32 this act, it shall be the duty of the provider subject to tax pursuant to this  
33 act to verify and deliver to the Director, upon forms prescribed and furnished  
34 by the Director and at a time prescribed by the Director, returns under oath  
35 showing the total of all payments for personal care services during the  
36 applicable reporting period. The returns shall show such further information

1 as the Director may require to enable him to completely and correctly collect  
2 the tax levied.

3 (c) The tax shall be computed by multiplying all gross proceeds or  
4 gross receipts derived from the delivery of personal care services by the  
5 applicable tax rate of twelve and one-half percent (12.5%).

6 (d) Any tax not paid within thirty (30) days of the due date shall be  
7 delinquent from that date and it shall be the duty of the Director to add a  
8 penalty of ten percent (10%) upon all delinquent taxes.

9 (e) Claims for refunds of overpayments and payment of interest on  
10 deficient payments or overpayments shall be subject to the terms and  
11 conditions of Arkansas Code §§ 26-18-507 and 26-18-508. All claims for  
12 refunds shall be filed with the Director.

13 (f) Except as provided in subdivision (e) of this section, the Arkansas  
14 Tax Procedure Act, Arkansas Code §§26-18-101 et seq., shall not apply to the  
15 provisions of this act.

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17 SECTION 6. The Director shall collect delinquent taxes by any lawful  
18 means for collection of civil debt.

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20 SECTION 7. All taxes, interest, penalties, and costs received by the  
21 Director of the Department of Finance and Administration under the provisions  
22 of this act shall be deposited in the State Treasury as special revenues to be  
23 credited to the Department of Human Services Grants Fund Account. Neither the  
24 three percent (3%) nor the one and one-half percent (1-1/2%) deduction  
25 provided for in Arkansas Code § 19-5-203, shall be made from the net special  
26 revenues collected under this act.

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28 SECTION 8. This tax shall become effective on April 1, 1992, and shall  
29 expire on June 30, 1993.

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31 SECTION 9. Subsections (a) and (c) of Arkansas Code 20-10-706 are  
32 hereby repealed.

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34 SECTION 10. All provisions of this act of a general and permanent  
35 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas

1 Code Revision Commission shall incorporate the same in the Code.

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3 SECTION 11. If any provision of this act or the application thereof to  
4 any person or circumstance is held invalid, such invalidity shall not affect  
5 other provisions or applications of the act which can be given effect without  
6 the invalid provision or application, and to this end the provisions of this  
7 act are declared to be severable.

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9 SECTION 12. All laws and parts of laws in conflict with this act are  
10 hereby repealed.

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12 SECTION 13. EMERGENCY. It is hereby found and determined by the  
13 General Assembly that this act establishes an excise tax on the gross receipts  
14 paid for the delivery of personal care services; that for the effective  
15 administration of this act, this act should become effective on April 1, 1992;  
16 that unless this emergency clause is adopted, this act may not become  
17 effective on that date. Therefore, an emergency is hereby declared to exist  
18 and this act being necessary for the preservation of the public peace, health  
19 and safety shall be in full force and effect from and after April 1, 1992.

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21 /s/John E. Miller

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23 APPROVED: 3-20-92

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