

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

ACT 1252 OF 1997
HOUSE BILL 1874

4
5 By: Representatives J. Hudson and Laverty
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For An Act To Be Entitled

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9 "AN ACT TO AMEND ARKANSAS CODE §26-52-301 (E) TO PROVIDE
10 THAT RESIDENTIAL LAWN CARE IS EXEMPT FROM SALES AND USE
11 TAXES; AND FOR OTHER PURPOSES."
12

Subtitle

13
14 "TO PROVIDE THAT RESIDENTIAL LAWN CARE
15 IS EXEMPT FROM SALES AND USE TAXES."
16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code § 26-52-301 (E) is amended to read as follows:

20 "(E)(i) Service of providing transportation or delivery of money,
21 property, or valuables by armored car; service of providing a credit report;
22 service of collecting a debt or account receivable; service of providing
23 cleaning or janitorial work; service of pool cleaning and servicing; pager
24 services; telephone answering services; lawn care and landscaping services;
25 service of parking a motor vehicle or allowing the motor vehicle to be parked;
26 service of storing a motor vehicle; service of storing furs; service of
27 providing indoor tanning at a tanning salon.

28 (ii) The tax levied on the service of providing a credit report and the
29 service of collecting a debt or account receivable by subdivision (3)(E)(i) of
30 this section shall be levied and collected as follows:

31 (a) The tax shall be applicable to services provided to third
32 parties in providing a credit report or in collecting a delinquent debt in
33 this state where the debtor and the creditor had an address or place of
34 business within this state at the time the debt was created or referred for
35 collection. This tax shall not be collected on delinquent debts owed by a
36 debtor to a creditor neither of which had an address or place of business

1 within this state at the time the debt was created or referred for collection.

2 (b) This gross receipts tax shall be levied and calculated on the
 3 amounts received as payment for collection services and not on the total
 4 amount of the debt collected.

5 (c) Any person providing the service of collecting a delinquent
 6 debt shall collect the tax from the debtor in addition to the amount of the
 7 debt being collected. If the person providing the service of collecting the
 8 debt fails to collect the tax from the debtor, the person is responsible for
 9 paying the proper amount of tax due and may collect the tax from the creditor.

10 (d) The provisions of subdivision (3)(E)(i) of this section shall
 11 not apply to the collection of a debt by an attorney or by a partnership or
 12 professional corporation of attorneys unless the debt arose from the extension
 13 of credit. If an attorney performs services in connection with the collection
 14 of a debt based upon the extension of credit, amounts received as payment for
 15 services prior to the filing of a complaint are subject to the tax, and all
 16 amounts received for payment of services after the filing of a complaint are
 17 not subject to the tax.

18 (e) The tax shall not apply to the collection of accounts which
 19 are serviced by a billing service as current accounts and are collected by the
 20 billing service after becoming delinquent;

21 (f) The provisions of subdivision (3)(E)(i) of this section shall
 22 not be applicable to services provided in collecting delinquent child support
 23 payments;

24 (iii) For purposes of this section:

25 (a) landscaping means the installation, preservation or
 26 enhancement of ground covering by planting trees, bushes and shrubbery, grass,
 27 flowers, and other types of decorative plants; and

28 (b) lawn care means the maintenance, preservation, or enhancement
 29 of ground covering of non residential property and does not include planting
 30 trees, bushes and shrubbery, grass, flowers, and other types of decorative
 31 plants.

32 (c) residential means a single family residence used solely as
 33 the principal place of residence of the owner."

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35 SECTION 2. All provisions of this act of a general and permanent nature
 36 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code

1 Revision Commission shall incorporate the same in the Code.

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3 SECTION 3. 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 4. All laws and parts of laws in conflict with this act are
10 hereby repealed.

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12 APPROVED:4-09-97

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