

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
4

As Engrossed: S2/20/97 H3/17/97

A Bill

ACT 928 OF 1997
SENATE BILL 450

5 By: Senators Todd, Gordon, and Bearden
6
7

For An Act To Be Entitled

9 "AN ACT TO ENACT THE VENDING DEVICES DECAL ACT OF 1997; TO
10 PROVIDE FOR AN ELECTIVE ASSESSMENT OF ANNUAL OR SPECIAL
11 DECAL FEES AS A FORM OF TAXING THE PRIVILEGE OF OPERATING
12 VENDING DEVICES THAT IS ALTERNATIVE TO THE GENERAL OR
13 SPECIAL SALES TAXES OTHERWISE IMPOSED UPON THE OPERATORS
14 OF VENDING DEVICES; TO CREATE VARIOUS ANNUAL AND SPECIAL
15 DECAL FEES FOR CLASSIFICATIONS OF VARIOUS TYPES OF VENDING
16 DEVICES; TO PROVIDE A SIMPLE AND CLEAR METHOD FOR THE
17 ADMINISTRATION OF THIS VENDING DEVICES DECAL ACT BY THE
18 DEPARTMENT OF FINANCE AND ADMINISTRATION; AND FOR OTHER
19 PURPOSES."

Subtitle

21 "VENDING DEVICES ACT OF 1997"
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Title. This act shall be known and cited as the "Vending
27 Devices Decal Act of 1997."
28

29 SECTION 2. Administration of Law. The provisions of this act will be
30 subject to the provisions of the Arkansas Tax Procedure Act, § 26-18-101 et
31 seq., as those provisions shall apply to the administration of this act by the
32 Director of the Department of Finance and Administration.
33

34 SECTION 3. Definitions. As used in this act, unless the context
35 otherwise requires:

36 (1) "Person" means any individual, partnership, association or

1 corporation;

2 (2)(A) "Coin-operated vending devices" means any and all machines or
3 devices which, upon the payment or insertion of a coin, token or similar
4 object, dispense tangible personal property, including, but not limited to,
5 candies, gum, cold drinks, hot drinks, sandwiches, chips, ballpoint pens,
6 combs, cigarette lighters, soaps or detergents, or other edible or inedible
7 items.

8 (B) Coin-operated vending devices shall not mean:

9 (i) amusement and game machines;

10 (ii) devices used exclusively for the purpose of selling
11 cigarettes, newspapers, magazines or postage stamps; or

12 (iii) devices used for the purpose of selling services such
13 as pay telephone booths, parking meters, gas and electric meters, automatic
14 teller machines, compressed air, or other devices used in the distribution of
15 such needed services;

16 (3) "Coin-operated bulk vending devices" means machines or devices
17 containing unsorted merchandise which, upon insertion of a coin or coins,
18 dispenses the merchandise in approximately equal portions, at random and
19 without selection by the customer. Such vending machine is a simple
20 mechanical device capable of accepting a coin of only one denomination with
21 one coin slot. Sorted or unsorted merchandise dispensed by such vending
22 machines include gum, candy, toys, novelties, sanitary napkins, or other
23 similar merchandise.

24 (4) "Coin-operated manually-powered vending devices" means any and all
25 machines or devices which use manual power, rather than electromotive power,
26 for dispensing products; and which, upon payment or insertion of coins,
27 tokens, or similar objects, dispense the type of tangible personal property
28 described in subsection 3(2)(A) of this section. The term "coin-operated
29 manually-powered vending device" is not intended to refer to a "coin-operated
30 bulk vending device," which term itself is otherwise defined by this section,
31 but this term is intended to include coin-operated manually-powered vending
32 devices that have one or more coin slots (as long as such dispensing devices
33 are housed in one cabinet) and manually-powered devices that dispense
34 prophylactics.

35 (5) "Coin-operated tabletop snack vending devices" means any and all
36 machines or devices (without refrigeration capabilities that sit upon a

1 counter, tabletop, or stand and provide for eighteen (18) selections, or less,
2 and which, upon the payment or insertion of a coin, token or similar object,
3 dispenses tangible personal property, including candies, gum, chips, cookies,
4 crackers or other edible snacks, but not cold drinks, hot drinks, or
5 sandwiches.

6 (6) "Vending devices" means "coin-operated vending devices," "coin-
7 operated bulk vending devices," "coin-operated manually-powered vending
8 devices," and "coin-operated tabletop snack vending devices."

9 (7) "Decal registration year" or "decal fee year" means the period that
10 begins on July 1 of a given year, and expires on June 30 of the following
11 year, during which a vending device decal, as required by this act, must be
12 purchased and affixed to all vending devices operating within the state.

13 (8) "Owner" means the person who is the owner of any vending device.

14 (9) "Operator" means the person who (as owner, lessee, bailee or
15 otherwise) is responsible for removing money from the vending device and who
16 is the person who would otherwise be responsible for reporting and paying the
17 applicable Gross Receipts (Sales) Taxes on sales made through the vending
18 device.

19

20 SECTION 4. Application, Issuance and Display of Decal.

21 (a) Any person who is the operator of a vending device in this state
22 that is made available for use and operation by the general public (whether
23 the operator is the owner of such vending device, or a lessee, renter, bailee,
24 etc. of the owner of such vending device) may, in lieu of paying sales taxes
25 under the provisions of Arkansas Code §26-52-101, et seq., or under the
26 provisions of Arkansas Code § 26-57-1001, et seq. elect to pay the decal fees
27 provided by Section 6 of this act. If such election is not made by the
28 operator, then the general or special sales taxes that are otherwise
29 applicable to the operation of these vending devices shall be imposed upon the
30 sale of tangible personal property from such vending devices.

31 (b) The operator of vending devices, who makes the election to pay the
32 decal fees provided by this act, shall be responsible for applying to the
33 Director of the Department of Finance and Administration for the issuance of
34 an annual or special vending device decal for such vending device and shall,
35 at the same time, pay to the Director of the Department of Finance and
36 Administration the annual or special vending device decal fee provided for by

1 this act, before such vending device is made available for use and operation
2 by the general public.

3 (c) The Director of the Department of Finance and Administration, upon
4 receipt of full payment of the applicable decal fee, and upon approval of such
5 application, shall issue to the person making such application an annual or
6 special vending device decal for the type of vending device or devices covered
7 by such application and payment.

8 (d)(1) The annual or special vending device decals, and the application
9 provided for herein, shall be in such form as prescribed by the Director of
10 the Department of Finance and Administration. These decals and applications
11 shall contain on their face such information and descriptions as shall be
12 required by regulations adopted by the Director of the Department of Finance
13 and Administration to properly and reasonably implement the provisions of this
14 act.

15 (2) Any number of vending devices may be included in one (1)
16 application, but all vending devices operated by the applying operator must be
17 made subject to this alternative decal fee. Such operator may not choose to
18 have part of his or her vending devices covered by the decal fee provided by
19 this act, while other vending devices operated by the same operator during the
20 decal registration year would be subject to the general or special sales taxes
21 that would be otherwise applicable to the sale of tangible personal property
22 from such vending devices.

23 (e) Before any vending device is put into operation or placed where the
24 same may be used or operated by any member of the general public, and at all
25 times when the vending device is being used or operated or made available to
26 members of the general public for use or operation, an annual or special
27 vending device decal shall be firmly affixed to the vending device covered
28 thereby by the person who is the operator of the vending device, so that such
29 decal shall be plainly visible to, and readable by, the members of the general
30 public.

31
32 SECTION 5. Requirements to Obtain Vending Device Decal. To obtain an
33 annual or special vending device decal, so as to be able to operate a vending
34 device in this state, an applicant for such vending device decal shall comply
35 with the following requirements. The applicant:

36 (1) Must not be a convicted felon or a corporation whose president or

1 principal shareholders are convicted felons; and

2 (2) Must have obtained from the Director of the Department of Finance
3 and Administration an Arkansas Gross Receipts (Sales) Tax permit.

4
5 SECTION 6. Annual Decal Fee - Special Decal - In Lieu of Sales Tax.

6 (a)(1) Every person who is the operator of a vending device, who elects
7 to have the operation of such vending device covered by the provisions of this
8 act, and who makes available to the general public for use and operation
9 vending devices described in this act, shall pay to the Director of the
10 Department of Finance and Administration (for the benefit of the state and its
11 municipalities and counties) the following annual vending device decal fee for
12 each vending device before such vending device may be placed in service within
13 the state for use by members of the public:

14 (A) For each coin-operated vending device requiring a coin
15 or thing of value of twenty-five cents (25¢) or more for a sale, seventy
16 dollars (\$70.00);

17 (B) For each coin-operated vending device requiring a coin
18 or thing of value of less than twenty-five cents (\$.25) for a sale, fifteen
19 dollars (\$15.00);

20 (C) For each coin-operated bulk vending device requiring a
21 coin or thing of value of more than twenty-five cents (\$.25) for a sale, seven
22 dollars and fifty cents (\$7.50);

23 (D) For each coin-operated bulk vending device requiring a
24 coin or thing of value of twenty-five cents (\$.25) or less for a sale, two
25 dollars and fifty cents (\$2.50); and

26 (E) For each coin-operated manually-powered vending
27 devices, coin-operated tabletop snack vending device, or other manually-
28 powered coin-operated vending device requiring a coin or thing of value of
29 twenty-five cents (\$.25) or more for a sale, thirty dollars (\$30.00).

30 (2) The annual vending device decal issued by the Director of the
31 Department of Finance and Administration, after payment of the appropriate
32 annual vending device decal fee, shall bear on its face the year of its issue,
33 and such annual decal must be affixed to each vending device in a place that
34 is clearly visible to the user of such device before each such vending device
35 may be placed for public use or operation in this state by the operator.

36 (3) Such annual vending device decal shall not be transferred

1 from one (1) vending device to another, unless the person who is the operator
2 of such vending device shall establish to the satisfaction of the Director of
3 the Department of Finance and Administration that the vending device to which
4 the annual vending device decal is to be transferred is a vending device that
5 is replacing the vending device to which such annual decal was originally
6 affixed.

7 (b) In those instances where it is shown to the satisfaction of the
8 Director of the Department of Finance and Administration that a vending device
9 upon which an annual vending device decal fee is otherwise due will be placed
10 in service for use by members of the general public for a definite, but
11 limited, period of time that is less than one (1) year, such as where the
12 vending device shall be placed for public use in connection with fairs,
13 carnivals, and places of amusement that operate only during certain seasons of
14 the year, the Director of the Department of Finance and Administration shall
15 issue a special vending device decal and collect a special vending device
16 decal fee for such vending devices as hereinafter computed:

17 (1) Such special decal may be issued for any number of thirty-day
18 periods, less than a full year, and such special decal shall indicate on its
19 face that it is a special decal, not an annual decal, and such special decal
20 shall be for one (1) or more thirty-day periods, but such special decal state
21 on its face the precise dates for which it has been issued and such special
22 decal shall not be transferred from one (1) vending device to another.

23 (2) The special vending device decal fee shall be computed and
24 paid by the person who is the operator of such vending device on the basis of
25 one-fifth (1/5) of the annual vending device decal fee charged by this act for
26 the type of vending device operated, for each thirty-day period for which such
27 special decal is issue.

28 (3) In the event the vending device is made available to the
29 public for a period beyond that for which the special decal is issued, then a
30 full year's fee and penalty, as set out in Section 6(a) of this act, shall be
31 due on such vending device from the person who is the operator of such vending
32 device.

33 (c) The annual or special vending device decal fees required to be paid
34 by subsections (a) and (b) of this section shall be paid by the person who is
35 the operator of such vending device in lieu of the requirement that such
36 person collect and remit: (1) the state and local Gross Receipts (Sales)

1 Taxes levied pursuant to the provisions of the Arkansas Gross Receipts Act of
2 1941, as amended, §26-52-101 et. seq., or any provision of chapters 74 and 75
3 of Title 26, or any other provision of this Code which provides for the levy
4 of a local Sales Tax; or (2) the special Sales Taxes levied pursuant to the
5 provisions the Vending Devices Sales Tax Act of 1995, Ark. Code Ann. of 1987,
6 § 26-57-1001, et seq. Where gross receipts or gross proceeds are received by
7 a person who is the operator of a vending device from the sale of any item of
8 tangible personal property, through the vending device, where the annual or
9 special vending device decal fee has been paid and such decal is affixed to
10 the vending device, then it is the intent of the General Assembly that such
11 gross proceeds or gross receipts shall not be subject to any state or local
12 Gross Receipts (Sales) Taxes imposed in this state.

13 (d) Any sales made by the operator of a coin operated vending device
14 that is made without the use of a vending device, e.g., office coffee service,
15 manual hot foods lines, catering events, etc., shall be subject to the state
16 and local Gross (Sales) Taxes levied pursuant to the provisions of the
17 Arkansas Gross Receipts Act of 1941, as amended, Ark. Code Ann. § 26-52-101,
18 et seq, or any provision of Chapters 74 and 75 of title 26, or any other
19 provision of the Code that provides for the levy of a local Sales Tax.

20 (e) For all vending devices that the operator does not elect to have
21 covered by the decal fee provided by this section, the operator of that
22 vending device shall acquire from the Director of the Department of Finance
23 and Administration an identifying decal that the operator shall affix to the
24 vending device in a prominent place so as to establish to the consuming public
25 that such vending device is not covered by the provisions of this act. The
26 Director of the Department of Finance and Administration shall establish, by
27 reasonable regulations, the amount to be charged for such identifying decal,
28 which amount shall not exceed the cost of producing such decals.

29 (f) Operators who elect to pay tax at the wholesale level and which
30 have been issued an identification number by the Department of Finance and
31 Administration as of the effective date of this act shall be entitled to
32 utilize that identification number for all vending devices owned by that
33 operator.

34
35 SECTION 7. Taxable year - Decal for remainder of year - First year
36 payment option.

1 (a) For the purpose of the annual or special vending device decal
2 issued under Section 4 of this act, the decal fee year shall begin on the
3 first day of July and end on the last day of the following June. This decal
4 fee year shall be divided into two (2) halves. The Director of the Department
5 of Finance and Administration shall in each instance issue annual vending
6 device decals for the remainder of the decal year upon payment of the annual
7 vending device decal fee on the basis of the full amount of the annual decal
8 applied for between July 1 and December 31 of the decal fee year; and, in
9 return for the payment of an amount of one-half (1/2) of such annual vending
10 device decal fee, for any such annual decal applied for between January 1 and
11 June 30 of the decal fee year.

12 (b) For the first taxable year that the annual or special vending
13 device decal fee is applicable, the person who is the operator of such vending
14 devices that are subject to registration and payment of such decal fees shall
15 register all such devices with the Director of the Department of Finance and
16 Administration, but for the first one-half (1/2) year, after the effective
17 date of this act, the operator shall pay one-half (1/2) of the decal fee for
18 each such vending device on or before January 1, 1998. Thereafter, the entire
19 annual or special vending device decal fee shall be due from the person who is
20 the owner, lessor, renter, or operator of such vending devices on or before
21 July 1 of the applicable taxable year.

22

23 SECTION 8. Distribution of Revenue.

24 (a) It is hereby declared to be the purpose of this act to provide
25 revenues for general governmental functions of the state, and its counties and
26 municipalities, in lieu of the state and local Gross Receipts (Sales) Taxes or
27 Vending Devices Sales Taxes that would otherwise be due and owing from the
28 person who is the operator of such vending devices. For that purpose and to
29 that end, it is expressly provided that the revenue derived by the Director of
30 the Department of Finance and Administration from the sale of annual or
31 special vending device decal fees, including penalties, shall be deposited by
32 the director into the State Treasury and credited as follows.

33 (b) The vending device decal fees imposed by Section 6 of this act, or
34 any proportionate amount thereof, shall be divided.

35 (1) With eighty percent (80%) of such amount being deposited to
36 the credit of the General Revenue Fund Account of the State Apportionment Fund

1 provided by § 19-5-202; and

2 (2) With twenty percent (20%) of such amount being deposited by
3 the Treasurer of the State in the Identification Pending Trust Fund for Local
4 Sales and Use Taxes in accordance with the provisions of Ark. Code Ann. §§ 26-
5 74-221 and 26-75-223, and all revenues deposited into that fund shall be
6 distributed to the cities and counties of this state in accordance with the
7 provisions of Ark. Code Ann. §§ 26-74-221(a)(2)(C)(ii) and 26-75-
8 223(a)(2)(C)(ii).

9

10 SECTION 9. Penalties. (a)(1) Any person who is the operator of a
11 vending device who places a vending device in use and operation, or in a place
12 available to members of the general public for use and operation, without a
13 valid and current annual or special vending device decal having been affixed
14 thereto, as required by Sections 4 and 6 of this act, shall be liable for the
15 decal fee on such vending device in the full amount of the applicable annual
16 vending device decal fee, as levied by this act, and such annual vending
17 device decal fee shall be collected by the Director of the Department of
18 Finance and Administration in accordance with the provisions of Section 4 of
19 this act.

20 (2) In addition to the annual vending device decal fee that is
21 due on such vending device, the operator of the vending device (who was
22 responsible for failing to apply for and pay for the applicable annual vending
23 device decal fee) shall also be liable to pay the Director of the Department
24 of Finance and Administration a penalty which such person shall pay to the
25 Director and which the Director shall assess against such person. The amounts
26 of these penalties for failure to purchase and display the annual decal fee
27 are to be paid by such operator, in addition to the applicable annual vending
28 device decal fee, and such penalty shall be the larger of either \$25.00 per
29 vending device, or an amount equal to eight (8) times the annual vending decal
30 fee applicable to each such vending device.

31 (b) Any person who is the operator of a vending device who places the
32 vending device in operation in this state for use or operation by members of
33 the general public, without first attaching thereto either the annual or
34 special vending device decal provided for herein, shall be guilty of a Class C
35 misdemeanor and, upon conviction, shall be punished by a fine not exceeding
36 one hundred dollars (\$100) or by imprisonment in the county jail for a period

1 not exceeding thirty (30) days, or by both such fine and imprisonment, as
2 provided by A.C.A. §§ 5-4-201 and 5-4-401, for each such vending device found
3 not to be in compliance with the requirements of this act.

4
5 SECTION 10. Prohibited devices not legalized - Fees not refunded.
6 Nothing in this act shall be construed to legalize any coin-operated video
7 gambling device, slot machine, or other coin-operated gambling device that may
8 be prohibited by any of the other statutes of this state. The Director of the
9 Department of Finance and Administration may assume that any vending device
10 described in any application made under this act, and for which an annual or
11 special vending device decal fee is paid, is lawful, and no claim for refund
12 of any such annual or special vending device decal fee shall be allowed based
13 upon the inability of the operator of such coin-operated device to operate
14 such vending device because of any other applicable law of this state.

15
16 SECTION 11. Vending Devices Without Decal Affixed - Seizure and
17 Forfeiture.

18 (a) Where any vending device (as defined in Section 3(6) of this act)
19 is placed on location for retail sales to the members of the general public in
20 the State of Arkansas, or, after having been placed on location in this state,
21 such vending device is left on location without the required vending device
22 decal affixed thereon (as may otherwise be provided for by the laws of this
23 state), the vending device, including all cash in the receptacle thereof, if
24 any, shall be considered forfeited to the State of Arkansas because of the
25 absence of the required vending device decal from such vending device.

26 (b) Such vending device may be seized and sealed on site at its
27 location by the Director of the Department of Finance and Administration, or
28 his authorized agent, and such vending device shall not be removed from such
29 location by any person until such vending device is released from seizure by
30 the Director of the Department of Finance and Administration or his authorized
31 agent.

32 (c) Such vending device may be seized by any authorized agent of the
33 Director of the Department of Finance and Administration, or by any sheriff or
34 other law enforcement officer of this state acting upon the request, and at
35 the direction of, the Director of the Department of Finance and
36 Administration.

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SECTION 12. Procedure Upon Forfeiture.

(a) Upon the seizure of such vending device, the vending device shall forthwith be delivered, together with the cash, if any, contained in the receptacle of such vending device, to the Director of the Department of Finance and Administration.

(b) The Director of the Department of Finance and Administration, or his authorized agent, shall then proceed to make an administrative determination of whether or not the vending device and cash, if any, that have been seized should, in fact, be forfeited to the State of Arkansas.

(c) The owner of the vending device shall be given at least thirty (30) days written notice of the date of the hearing on such forfeiture of the vending device. Such notice shall be considered a notice of proposed assessment under § 26-18-403, and the owner shall be entitled to an administrative hearing pursuant to § 26-18-405.

SECTION 13. Sale of Device Upon Forfeiture.

(a) In the event the Director, or his authorized agent, finds that the vending device, including the cash contents, if any, should be forfeited to the State of Arkansas, the Director, or his authorized agent, shall make a written determination of forfeiture of the vending device to the State of Arkansas, and the Director shall direct the sale of such vending device.

(b) The vending device shall be sold by the Director, his authorized agent, the sheriff in the county where it was seized, or the sheriff of Pulaski County after thirty (30) days' written notice of sale, which notice of sale shall be given:

(1) In writing to the owner of such vending device at the owner's last known address;

(2) In writing to the operator of such vending device at the operator's last known address; and

(3) By posting (5) notices of sale in conspicuous places in the county where the sale of such vending device is to be held. One (1) of such notices of sale shall be posted on a bulletin board at the county courthouse of said county.

(c) At the discretion of the Director, notice of sale of such vending device may be given, alternatively to posting, by publishing the notice of

1 sale in a newspaper of general circulation in such county at least thirty (30)
2 days prior to such sale.

3

4 SECTION 14. Disposition of Forfeiture Sale Proceeds. The sale of the
5 vending device shall be for cash, and the proceeds of such sale shall be
6 applied as follows:

7 (1) To the payment of the costs incident to the seizure and sale of
8 such vending device;

9 (2) To the payment of any taxes or decal fee costs, including
10 penalties, that may have accrued against the device; and

11 (3) The balance, if any, shall be remitted to the owner of the vending
12 device.

13

14 SECTION 15. Forfeiture Includes Cash Contents. The cash contained in
15 any seized vending device, which cash is forfeited under the provisions of
16 this act, shall be forfeited to the State of Arkansas as an additional penalty
17 and shall be in addition to all other penalties provided for under this act.

18

19 SECTION 16. Forfeiture Determination - Appeal.

20 (a) The written determination of the Director of the Department of
21 Finance and Administration, or his authorized agent, declaring a forfeiture of
22 the vending device, including the cash contents thereof, if any, and directing
23 the sale of such vending device shall be a final determination of the Director
24 and shall be treated, for purposes of the owner's or operator's appeal of the
25 Director's determination, as a final assessment, subject to the provisions of
26 the Arkansas Tax Procedure Act, § 26-18-101 et seq.

27 (b) Judicial review of the final determination by the Director shall be
28 available pursuant to the provisions of § 26-18-406 of the Arkansas Tax
29 Procedure Act.

30

31 SECTION 17. Purpose. The purpose for the enactment of this "Vending
32 Devices Decal Act of 1997" is to provide a simplified method for the operators
33 of such vending devices to be able to pay their proportionate amount of state
34 and local taxes, without being required to maintain complex financial records
35 that would otherwise be required of such operators (who are in the unique
36 position among retailers in this state of not being able to pass the cost of

1 Sales Taxes directly on to their customers), and to assure that the State of
2 Arkansas and its cities and counties collect their fair share of taxes from
3 what is almost entirely a cash business.

4

5 SECTION 18. All provisions of this Act of a general and permanent
6 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
7 Code Revision Commission shall incorporate the same in the Code.

8

9 SECTION 19. If any provision of the Act or the applicable thereof to
10 any person or circumstance is held invalid, such invalidity shall not affect
11 other provisions or applications of the Act which can be given effect without
12 the invalid provision or application, and to this end the provisions of this
13 Act are declared to be severable.

14

15 SECTION 20. All laws and parts of law in conflict with this Act are
16 hereby repealed.

17

18 SECTION 21. Emergency. It is hereby found by the General Assembly: (1)
19 that it is impractical for the persons who are operators of vending devices,
20 as defined by this Vending Devices Decal Act, to collect the state and local
21 Gross Receipts (Sales) Taxes on the gross proceeds or gross receipts they
22 realize from the sale of goods and services made through vending devices,
23 inasmuch as such vendors do not deal in person with their customers at the
24 point of sale; (2) that mechanical limitations on such vending devices dictate
25 that prices for goods or services dispensed by these devices be adjusted in
26 increments of five cents (\$.05); (3) that the Sales Taxes imposed upon the
27 sales made by vending devices must be borne by the persons who are the
28 operators of such vending devices from the gross proceeds or gross receipts
29 received for such sales (where other vendors are able to collect such state
30 and local Gross Receipts (Sales) Taxes from their customers in addition to the
31 gross receipts or gross proceeds they receive from their customer for the sale
32 of similar goods and services as those sold by vending devices); (4) that the
33 General Assembly finds this situation is unfair and discriminatory to the
34 persons who are the operators of such vending devices; (5) that the states
35 surrounding Arkansas have all recognized this specific problem imposed upon
36 sales made by vending devices and have each provided some form of legislative

1 relief for the persons who are operators of vending devices from their states'
2 respective Sales Tax laws; (6) that a record was established under the prior
3 Vending Device Decal Act that certain operators of vending devices were forced
4 to be covered by paying the decal fee, when such operators preferred another
5 method of taxation; (7) that it has been established that there was once a
6 serious problem of compliance and accountability in this state with the
7 payment of Sales Taxes on sales made by vending devices, due to the cash
8 nature of such sales without receipts being prepared; and (8) that it being
9 the intent of the General Assembly to place all persons who are operators of
10 vending devices that elected to pay their taxes by way of this simplified
11 vending device decal fee system (in lieu of paying the general state and local
12 Gross Receipts (Sales) Taxes or special Vending Devices Sales Taxes) on the
13 same competitive planes. Therefore an emergency is declared to exist, and
14 this act being necessary for the preservation of the public peace, health and
15 safety shall be in full force and effect as of January 1, 1998.

16 /s/Todd et al

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20 APPROVED:3-31-97
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