

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 473 of the Regular Session

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007  
4

# A Bill

HOUSE BILL 2283

5 By: Representative Reynolds  
6  
7

## For An Act To Be Entitled

9 AN ACT TO CLARIFY ARKANSAS CODE §§ 14-20-112(a),  
10 26-75-602(c)(2), AND 26-75-701(a) TO APPLY TO  
11 HOTELS, MOTELS, RESTAURANTS, OR SIMILAR  
12 ESTABLISHMENTS; AND FOR OTHER PURPOSES.  
13

### Subtitle

14 TO CLARIFY ARKANSAS CODE §§ 14-20-112  
15 (a), 26-75-602(c)(2), AND 26-75-701(a)  
16 TO APPLY TO HOTELS, MOTELS, RESTAURANTS,  
17 OR SIMILAR ESTABLISHMENTS.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code § 14-20-112(a) concerning rate of sales tax  
24 for hotels, motels and restaurants is amended to read as follows:

25 (a)(1)(A)(i) Any county in which there is located a municipality that  
26 levies a gross receipts tax on hotels, motels, ~~and~~ restaurants, or similar  
27 establishments as authorized in §§ 26-75-601 ~~—26-75-613 et seq.~~ may levy by  
28 ordinance of the county quorum court a like tax at the same rate as the  
29 levying municipality or at a lesser rate upon the gross receipts from  
30 furnishing of hotel and or motel accommodations and upon the gross receipts  
31 of restaurants ~~and or~~ similar establishments located within the county  
32 outside the boundaries of the levying municipality.

33 (ii) The tax levied under this subdivision (a)(1)(A)  
34 shall apply ~~only~~ to hotels, motels, restaurants, or similar establishments  
35 located within unincorporated areas of the county.



1 (B) Any county in which there is located a municipality  
 2 that levies a gross receipts tax on hotels, motels, ~~and~~ restaurants, or  
 3 similar establishments as authorized in § 26-75-701 et seq. may levy by  
 4 ordinance of the county quorum court a like tax at the same rate as the  
 5 levying municipality or at a lesser rate upon the furnishing of hotel ~~and~~ or  
 6 motel accommodations, the admission price to tourist attractions as defined  
 7 in § 26-52-1001, the gross receipts of gift shops referred to in § 26-75-701,  
 8 restaurants, ~~and~~ or similar establishments located within any township in the  
 9 county outside the boundaries of the levying municipality.

10  
 11 SECTION 2. Arkansas Code § 26-75-602(c)(2), concerning the authority  
 12 of cities to levy a gross receipts tax is amended to read as follows:

13 (c) The tax authorized in this subchapter shall be upon any one (1) or  
 14 more of the following, as specified in the levying ordinance:

15 (1) The gross receipts or gross proceeds from renting, leasing,  
 16 or otherwise furnishing hotel, motel, or short-term condominium rental  
 17 accommodations for sleeping, meeting, or party room facilities for profit in  
 18 such city or town, but such accommodations shall not include the rental or  
 19 lease of such accommodations for periods of thirty (30) days or more; and

20 (2) The portion of the gross receipts or gross proceeds received  
 21 by restaurants, cafes, cafeterias, delicatessens, drive-in restaurants,  
 22 carry-out restaurants, concession stands, convenience stores, grocery store-  
 23 restaurants, ~~and~~ or similar businesses as shall be defined in the levying  
 24 ordinance from the sale of prepared food and beverages for on or off-premises  
 25 consumption, but such tax shall not apply to such gross receipts or gross  
 26 proceeds of organizations qualified under section 501(c)(3) of the federal  
 27 Internal Revenue Code.

28  
 29 SECTION 3. Arkansas Code § 26-75-701(a), concerning the authority of a  
 30 city to levy tax, is amended to read as follows:

31 (a) Any city of the first class having a population of fewer than five  
 32 thousand (5,000) inhabitants, a portion of which has been designated as a  
 33 historic district and is included on the National Register of Historic  
 34 Places, by ordinance of its governing body, may levy a tax not to exceed two  
 35 percent (2%) upon the gross receipts or gross proceeds from any one (1) or  
 36 more of the following:

1 (1) The renting, leasing, or otherwise furnishing of hotel or  
2 motel accommodations for profit in the city;

3 (2) Restaurants, cafes, cafeterias, ~~and~~ or other business  
4 establishments, as defined in the levying ordinance, engaged in the business  
5 of selling prepared food for consumption on the premises in the city;

6 (3) Sales by gift shops, a majority of whose gross receipts or  
7 gross proceeds are derived from the sale of items commonly referred to as  
8 gifts or souvenirs available for sale to tourists, as defined in the levying  
9 ordinance; and

10 (4) Admission price to tourist attractions, as defined in § 26-  
11 52-1001.

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13 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General  
14 Assembly of the State of Arkansas that tourist season is rapidly approaching  
15 and cities and towns depend on the local tax revenue generated through local  
16 hotels, motels, restaurants, or similar establishments; that the law as  
17 currently written does not allow the local government the flexibility to  
18 collect the tax in a manner that reflects local business establishments; and  
19 that this act is necessary because it is imperative to the successful  
20 operation of local government to capture the tax revenue from the approaching  
21 tourist season. Therefore, an emergency is declared to exist and this act  
22 being necessary for the preservation of the public peace, health, and safety  
23 shall become effective on:

24 (1) The date of its approval by the Governor;

25 (2) If the bill is neither approved nor vetoed by the Governor,  
26 the expiration of the period of time during which the Governor may veto the  
27 bill; or

28 (3) If the bill is vetoed by the Governor and the veto is  
29 overridden, the date the last house overrides the veto.

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31 APPROVED: 3/23/2007  
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