

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 655 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

A Bill

SENATE BILL 73

5 By: Senator Madison
6
7

For An Act To Be Entitled

8
9 AN ACT TO MAKE VARIOUS CORRECTIONS TO TITLE 26 OF
10 THE ARKANSAS CODE OF 1987 ANNOTATED; AND FOR
11 OTHER PURPOSES.
12

Subtitle

13
14 AN ACT TO MAKE VARIOUS CORRECTIONS TO
15 TITLE 26 OF THE ARKANSAS CODE OF 1987
16 ANNOTATED.
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code § 26-18-303(b)(11)(E) is amended to read as
22 follows to reflect the reconciliation by this act of the two versions of §
23 26-57-236:

24 (E) Commission for sale of stamps for cigarettes and the
25 collection of cigarette taxes, § 26-57-236(g), ~~as amended by Acts 1997, No.~~
26 ~~434~~(f);
27

28 SECTION 2. Arkansas Code § 26-26-407(c)(2) is amended to read as
29 follows to clarify references:

30 (2) The ~~assessor must~~ county assessor shall determine what the
31 typical use of vacant commercial land or residential land is by considering
32 the primary current use of adjacent lands.
33

34 SECTION 3. Arkansas Code § 26-26-407(f) is amended to read as follows
35 to remove obsolete language and make stylistic changes:



1 (f)(1) In devising and developing methods of assessing and levying the
 2 ad valorem property tax on real property, the Assessment Coordination
 3 Department shall annually develop and publish valuation tables and other data
 4 ~~which~~ that shall be used by county assessors for assessing lands qualifying
 5 under ~~the provisions of~~ this subchapter.

6 (2)(A) ~~Effective for assessment years beginning January 1, 2008,~~
 7 ~~and every year thereafter,~~ Each year the Assessment Coordination Department
 8 shall update the valuation tables for assessing lands qualifying as
 9 agricultural land, pasture land, and timber land in time for counties to use
 10 the updated tables when they finish their countywide appraisals.

11 (B) ~~Beginning January 1, 2008, when~~ When there is a
 12 countywide reappraisal, a county shall assess agricultural land, pasture
 13 land, and timber land based upon the updated land values in the valuation
 14 tables issued for the assessment year.

15 (3)(A) ~~Effective for assessment years beginning January 1, 2008,~~
 16 ~~the~~ The Assessment Coordination Department by rule shall develop appropriate
 17 formulas reflecting the productivity valuation of the land based upon income
 18 capability attributable to agricultural land, pasture land, and timber land
 19 soils.

20 (B) ~~Beginning January 1, 2008, and every year thereafter,~~
 21 Each year the Assessment Coordination Department shall develop and calculate
 22 capitalization rates by using appropriate long-term federal security rates,
 23 risk rates, management rates, and other appropriate financial rates.

24 (C) However, the capitalization rate developed under
 25 subdivision (f)(3)(B) of this section shall not be less than eight percent
 26 (8%) nor more than twelve percent (12%).

27 (4) By October 15 of each year, the Assessment Coordination
 28 Department shall report to the Legislative Council any changes to any part of
 29 the formula used to determine the value of land or the capitalization rate.
 30

31 SECTION 4. Arkansas Code § 26-26-1118(a)(1) is amended to read as
 32 follows to correct and remove obsolete language:

33 (a)(1)(A) There is established a homestead property tax credit for
 34 each assessment year that reduces the amount of real property taxes assessed
 35 on the homestead of each property owner by ~~three hundred dollars (\$300)~~ three
 36 hundred fifty dollars (\$350).

1 (B) ~~Effective with the assessment year 2007 and~~
 2 ~~thereafter, the amount of real property taxes assessed on the homestead of~~
 3 ~~each property owner shall be reduced by three hundred fifty dollars (\$350).~~

4 (C) However, ~~no~~ an assessment shall not be reduced to less
 5 than zero dollars (\$0.00).

6
 7 SECTION 5. Arkansas Code § 26-37-301(a)(4) is amended to read as
 8 follows to clarify references:

9 (4) If the notice by certified mail is returned undelivered for
 10 any other reason, the Commissioner of State Lands shall send a second notice
 11 to the owner or interested party at any additional address reasonably
 12 identifiable through the examination of the real property records properly
 13 filed and recorded in the office of the ~~circuit clerk in the county wherein~~
 14 county recorder where the property is located as follows:

15 (A) The address shown on the deed to the owner;

16 (B) The address shown on the deed, mortgage, assignment,
 17 or other filed and recorded document to the interested party; or

18 (C) Any other corrected or forwarding address on file with
 19 the county ~~tax~~ collector or county ~~tax~~ assessor.

20
 21 SECTION 6. Arkansas Code § 26-51-420 is amended to read as follows to
 22 remove obsolete language and make stylistic changes:

23 26-51-420. Deductions – Education service cooperative contributions.

24 Education service cooperatives created ~~pursuant to~~ under The Education
 25 Service Cooperative Act of 1985, § 6-13-1001 et seq., are ~~hereby~~ declared
 26 instrumentalities and political subdivisions of the State of Arkansas, and
 27 all contributions and donations made to them ~~calendar year 1992 and~~ in any
 28 calendar year ~~shall be~~ are deductible from the Arkansas income tax levied by
 29 § 26-51-201 et seq.

30
 31 SECTION 7. Arkansas Code § 26-51-455(c) is amended to read as follows
 32 to clarify references:

33 (c) The Department of Finance and Administration shall certify
 34 quarterly to the Treasurer of State the amount contributed to the program
 35 through this state income tax checkoff during the quarter as authorized by
 36 this section, and the Treasurer of State shall deduct from the ~~Income Tax~~

1 ~~Withholding Fund the amount so certified:~~

2 (1) Individual Income Tax Withholding Fund the amount certified
3 by the department as contributed to the program on individual income tax
4 forms; and

5 (2) Corporate Income Tax Withholding Fund the amount certified
6 by the department as contributed to the program on corporate income tax
7 forms.

8
9 SECTION 8. Arkansas Code § 26-51-1303(a) is amended to read as follows
10 to clarify a reference:

11 (a) Every holder of a franchise to conduct dog racing or horse racing
12 in this state making any single payment of racing winnings on a single
13 wagering transaction of more than one thousand dollars (\$1,000), if the
14 amount of the racing winnings is at least three hundred (300) times as large
15 as the amount wagered, shall deduct and withhold an amount equal to seven
16 percent (7%) from the racing winnings.

17
18 SECTION 9. Arkansas Code § 26-51-1307(c)(3) is amended to read as
19 follows to clarify a reference:

20 (3) The total amount of the racing winnings subject to
21 withholding paid by the franchise holder to the recipient of the racing
22 winnings;

23
24 SECTION 10. Arkansas Code § 26-52-103(14)(C)(i) is amended to read as
25 follows to remove an unnecessary limitation on an internal reference:

26 (i) Be used for sales and use tax purposes
27 regardless of whether a transaction is characterized as a lease or rental
28 under generally accepted accounting principles, the Internal Revenue Code of
29 1986, as in effect on January 1, 2007, the Uniform Commercial Code, § 4-1-101
30 et seq., ~~as in effect on January 1, 2007,~~ or another ~~provision of~~ federal,
31 state, or local law;

32
33 SECTION 11. Arkansas Code § 26-52-208 is repealed because it conflicts
34 with § 26-52-209 and the Arkansas Tax Procedure Act, § 26-18-101 et seq., and
35 its subject matter is controlled by § 26-52-209 and the Arkansas Tax
36 Procedure Act, § 26-18-101 et seq.:

~~26-52-208. Revocation or suspension—Renewal.~~

~~(a) Whenever a holder of a permit fails to comply with any provision of this chapter, the Director of the Department of Finance and Administration shall give notice to the taxpayer of an intention to revoke the permit.~~

~~(b)(1) Within ten (10) days after receipt of the notice of intention, The taxpayer may apply to the director for a hearing in the same manner as provided for in Acts 1941, No. 386, § 10 [repealed].~~

~~(2) The hearing shall be conducted at a time and place to be designated by the director, and the taxpayer shall be entitled to introduce testimony and be represented by counsel, and the director shall determine at the hearing whether the taxpayer's permit should be revoked.~~

~~(3) In the event the taxpayer fails to apply for a hearing within ten (10) days after receipt of the notice of intention, the director may revoke such permit.~~

~~(c)(1) The taxpayer shall be entitled within thirty (30) days from the date of the order of the director revoking the permit to appeal to the circuit court in the taxpayer's county where the action shall be tried de novo.~~

~~(2) An appeal shall lie from the circuit court to the Supreme Court as in other cases provided by law.~~

~~(d) Any permit may be renewed upon the filing of proper returns and the payment of all taxes due under this chapter or removal of any other cause of revocation or suspension.~~

SECTION 12. Arkansas Code § 26-52-303(c)(2) is amended to read as follows to classify a criminal offense:

(2) Any Upon conviction, a person filing a false statement or otherwise falsely obtaining or assisting ~~any other~~ another person to falsely obtain the benefits of the exemption authorized in this section ~~upon conviction~~ is guilty of a violation and shall be fined in a sum of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500).

SECTION 13. Arkansas Code § 26-52-304(b)-(c) are repealed to remove obsolete language:

~~(b) It is found and determined by the General Assembly that~~

1 ~~technological advances in the computer industry have created an uncertainty~~
 2 ~~as to whether sales of computer software constitute a transfer of tangible~~
 3 ~~personal property.~~

4 ~~(c) This section is not intended to affect the taxability of any sales~~
 5 ~~of computer software prior to February 9, 1984.~~

6
 7 SECTION 14. Arkansas Code § 26-52-317(b) is amended to read as follows
 8 to remove duplicative definitions in light of § 26-52-103 which is the
 9 general definitions section for Title 26, Chapter 52, and applies to § 26-52-
 10 317:

11 (b) As used in this section:

12 ~~(1) "Alcoholic beverage" means a beverage that is suitable for~~
 13 ~~human consumption and contains five tenths of one percent (0.5%) or more of~~
 14 ~~alcohol by volume;~~

15 ~~(2) "Dietary supplement" means any product, other than tobacco,~~
 16 ~~intended to supplement the diet that:~~

17 ~~(A) Contains one (1) or more of the following dietary~~
 18 ~~ingredients:~~

19 ~~(i) A vitamin;~~

20 ~~(ii) A mineral;~~

21 ~~(iii) An herb or other botanical;~~

22 ~~(iv) An amino acid;~~

23 ~~(v) A dietary substance for use by humans to~~
 24 ~~supplement the diet by increasing the total dietary intake; or~~

25 ~~(vi) A concentrate, metabolite, constituent,~~
 26 ~~extract, or combination of any ingredient described in this subdivision~~
 27 ~~(b)(2)(A), and is intended for ingestion in tablet, capsule, powder, softgel,~~
 28 ~~geleap, or liquid form, or if not intended for ingestion in such a form, is~~
 29 ~~not represented as conventional food and is not represented for use as a sole~~
 30 ~~item of a meal or of the diet; and~~

31 ~~(B) Is required to be labeled as a dietary supplement,~~
 32 ~~identifiable by the "Supplemental Facts" box found on the label and as~~
 33 ~~required pursuant to 21 C.F.R. § 101.36, as it existed on January 1, 2007;~~

34 ~~(3)(A)(1) "Food" and "food ingredients" mean substances, whether~~
 35 ~~in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are~~
 36 ~~sold for ingestion or chewing by humans and are consumed for their taste or~~

1 ~~nutritional value.~~

2 ~~(B) "Food and food ingredients" does not include an~~
 3 ~~alcoholic beverage, tobacco, a dietary supplement, or prepared food; the same~~
 4 ~~as defined in § 26-52-103 except that "food" and "food ingredients" do not~~
 5 ~~include prepared food; and~~

6 ~~(4)(A)(2) "Prepared food" means:~~

7 ~~(i) Food sold in a heated state or heated by the~~
 8 ~~seller;~~

9 ~~(ii) Two (2) or more food ingredients mixed or~~
 10 ~~combined by the seller for sale as a single item; or~~

11 ~~(iii)(a) Food sold with an eating utensil provided~~
 12 ~~by the seller, including a plate, knife, fork, spoon, glass, cup, napkin, or~~
 13 ~~a straw.~~

14 ~~(b) As used in this subdivision~~

15 ~~(b)(4)(A)(iii), "plate" does not include a container or packaging used~~
 16 ~~to transport the food.~~

17 ~~(B) "Prepared food" the same as defined in § 26-52-103~~
 18 ~~except that "prepared food" does not include food that is only cut,~~
 19 ~~repackaged, or pasteurized by the seller, or eggs, fish, meat, poultry, and~~
 20 ~~foods containing these raw animal foods requiring cooking by the consumer to~~
 21 ~~prevent food-borne illnesses as recommended by Food and Drug Administration~~
 22 ~~in its 2005 Food Code, § 3-401.11, as it existed on January 1, 2007; and~~

23 ~~(5) "Tobacco" means cigarettes, cigars, chewing or pipe~~
 24 ~~tobacco, or any other item that contains tobacco.~~

25
 26 SECTION 15. Arkansas Code § 26-52-319 is amended to add a new
 27 subsection to read as follows to add general and permanent language from Acts
 28 2007, No. 185, § 3:

29 (g) All existing exemptions from the gross receipts tax levied by this
 30 chapter and the compensating use tax levied by the Arkansas Compensating Tax
 31 Act of 1949, § 26-53-101 et seq., for natural gas or electricity used in
 32 manufacturing or for other purposes that are otherwise provided by law shall
 33 continue in effect.

34
 35 SECTION 16. Arkansas Code § 26-52-401(22)(B)(iii) is amended to read
 36 as follows to correct obsolete language and clarify its application:

1 (iii) This subdivision (22) does not apply to
 2 transactions involving used automobiles ~~provided for in~~ under § 26-52-510(b),
 3 used mobile homes, used manufactured homes, or used modular homes ~~provided~~
 4 ~~for in~~ under ~~§ 26-52-504 [repealed]~~ § 26-52-801 et seq., or used aircraft
 5 ~~provided for in~~ under § 26-52-505;

6
 7 SECTION 17. Arkansas Code § 26-52-402(a)(4) is repealed because it is
 8 obsolete and its subject matter is now controlled by the Motion Picture
 9 Incentive Act of 1997, § 15-4-2001 et seq.:

10 ~~(4) Gross receipts and gross proceeds derived from the rental or~~
 11 ~~lease of specialized equipment used in the filming of a motion picture which~~
 12 ~~qualifies for the tax incentives provided by the Motion Picture Incentive Act~~
 13 ~~of 1983, § 26-4-201 et seq. [expired].~~

14
 15 SECTION 18. Arkansas Code § 26-52-403(b) is amended to read as follows
 16 to clarify its applicability:

17 (b) The gross receipts or gross proceeds derived from the sale of new
 18 and used farm equipment and machinery ~~shall not be subject to~~ are exempt from
 19 the Arkansas gross receipts tax levied by ~~§ 26-52-301(1), (2), (3)(A),~~
 20 ~~(3)(B)(i) (iii), (4), and (5) but shall be exempt from those levies~~ this
 21 chapter.

22
 23 SECTION 19. Arkansas Code § 26-52-416 is amended to read as follows to
 24 clarify its applicability, correct obsolete language, remove obsolete
 25 language, and make stylistic changes:

26 26-52-416. Electricity sold to low income households.

27 (a) The gross receipts or gross proceeds derived from the sale of the
 28 first five hundred kilowatt hours of electricity per month and the total
 29 franchise taxes billed to each residential customer whose household income is
 30 no more than twelve thousand dollars (\$12,000) per year ~~shall be~~ are exempt
 31 from the Arkansas gross receipts tax levied ~~pursuant to~~ § 26-52-301(1), (2),
 32 ~~(3)(A), (B)(i) (iii), (4), (5), by this chapter~~ and all other state excise
 33 taxes which that would otherwise be levied thereon on the gross receipts or
 34 gross proceeds derived from the sale and the total franchise taxes.

35 (b) As used in this section, ~~“income” and “household income” mean the~~
 36 ~~same as ascribed to them in~~ § 26-51-602 [repealed].

1 (1) "Household income" means the combined income received by
 2 members of a household during a calendar year; and

3 (2)(A) "Income" means gross income as defined in the Income Tax
 4 Act of 1929, § 26-51-101 et seq., less deductions allowed under § 26-51-423.

5 (B) "Income" includes:

6 (i) Alimony;

7 (ii) Support money;

8 (iii) Cash public assistance and relief;

9 (iv) The gross amount of any pension or annuity,
 10 including all monetary retirement benefits from whatever source derived,
 11 including without limitation railroad retirement benefits, all payments
 12 received under the federal Social Security Act, and veterans' disability
 13 pensions;

14 (v) All dividends and interest from whatever source
 15 derived not included in gross income;

16 (vi) Workers' compensation benefits; and

17 (vii) The gross amount of "loss of time insurance".

18 (C) "Income" does not include:

19 (i) Gifts from nongovernmental sources;

20 (ii) Surplus food;

21 (iii) In-kind relief supplied by a governmental
 22 agency; or

23 (iv) For a World War I veteran of the United States
 24 armed forces or the widow of a World War I veteran of the United States armed
 25 forces, federal or state retirement benefits, pension benefits, disability
 26 benefits, railroad retirement benefits, or social security benefits.

27 (c) The exemption ~~provided by~~ in this section ~~shall apply~~ applies to
 28 sales by all electric utilities operating in this state, whether investor-
 29 owned utilities, electric cooperative corporations created or existing under
 30 ~~the authority of~~ § 23-18-301 et seq., or municipally owned electric
 31 utilities.

32 (d) ~~Persons~~ On forms provided by the Director of the Department of
 33 Finance and Administration, a residential customer qualifying for the
 34 exemption ~~provided by~~ in this section shall notify, ~~on forms provided by the~~
 35 ~~Director of the Department of Finance and Administration,~~ the electric
 36 utility providing service to ~~them~~ the residential customer of the residential

1 customer's intention to claim the ~~exemptions~~ exemption ~~provided~~ in this
2 section.

3 (e)(1) After a ~~person~~ residential customer has qualified for ~~this~~
4 ~~exemption~~ no the exemption in this section, an additional application ~~shall~~
5 ~~be~~ is not required.

6 (2) When a ~~person~~ residential customer who has qualified for
7 ~~this exemption~~ the exemption in this section has household income exceeding
8 the twelve-thousand-dollar limit, the ~~person~~ residential customer is
9 disqualified from the exemption in this section and ~~must~~ shall notify the
10 electric utility on forms provided by the director. The notice form ~~must~~
11 shall be mailed to the electric utility on or before March 1 of the year
12 following the year the household income exceeds twelve thousand dollars
13 (\$12,000).

14 ~~(2) The provisions of this subsection shall be in full force and~~
15 ~~effect for years beginning on or after December 31, 1990.~~

16 (f)(1) If a ~~person~~ residential customer does not notify the electric
17 utility as provided in subsection (e) of this section and continues to
18 receive ~~this exemption~~ the exemption in this section after his or her
19 household income exceeds ~~the qualification limit~~ twelve thousand dollars
20 (\$12,000), ~~such person shall be~~ the residential customer is liable for the
21 amount of the tax exemption received after ~~the time for notification~~ March 1
22 of the year following the year the household income exceeds twelve thousand
23 dollars (\$12,000).

24 (2) The electric utility ~~company~~ shall bill a residential
25 customer for the amount of tax due as a result of the residential customer's
26 disqualification under this section and remit the tax to the director.

27 ~~(2) The provisions of this subsection shall be in full force and~~
28 ~~effect for years beginning on or after December 31, 1990.~~

29
30 SECTION 20. Arkansas Code § 26-52-425(b) is amended to read as follows
31 to clarify its applicability and make stylistic changes:

32 ~~(b)(1)~~ (b) As used in this section:

33 (1) "Manufacturing" or "processing" means the same as set out in
34 § 26-52-402(b);

35 (2)(A) "Solid waste" means only solid waste as commonly
36 understood on April 10, 1995.

1 (B) "Solid waste" does not include solid wood chips or
 2 other wood by-products; and

3 ~~(2)(A)~~ (3) "Substitute fuel" means products or materials ~~which~~
 4 that have been derived from tires, from municipal solid waste or other solid
 5 waste, from used motor oil, from used railroad ties, or from petroleum-based
 6 waste, for use in producing heat or power by burning.

7 ~~(B) Provided, however, that "solid waste" shall be strictly~~
 8 ~~construed to only include waste as commonly understood on the date of~~
 9 ~~enactment, excluding solid wood chips and other wood by-products.~~

10
 11 SECTION 21. Arkansas Code § 26-52-510(a) is amended to read as follows
 12 to correct duplicative language, clarify references, and make stylistic
 13 changes:

14 ~~(a)(1)(A)(i) The tax levied by this chapter and all other gross~~
 15 ~~receipts taxes levied by the state in respect to the sale of new or used~~
 16 ~~motor vehicles, trailers, or semitrailers required to be licensed in this~~
 17 ~~state shall be paid by the consumer to the Director of the Department of~~
 18 ~~Finance and Administration instead of being collected by the dealer or~~
 19 ~~seller. On or before the time for registration as prescribed by § 27-14-~~
 20 ~~903(a), a consumer shall pay to the Director of the Department of Finance and~~
 21 ~~Administration the tax levied by this chapter and all other gross receipts~~
 22 ~~taxes levied by the state with respect to the sale of a new or used motor~~
 23 ~~vehicle, trailer, or semitrailer required to be licensed in this state,~~
 24 ~~instead of the taxes being collected by the dealer or seller.~~

25 ~~(ii) It is the mandatory duty of the director to (2)~~
 26 The director shall require the payment of the ~~tax~~ taxes at the time of
 27 registration before issuing ~~licenses for a license for the~~ new or used ~~motor~~
 28 ~~vehicles or trailers~~ motor vehicle, trailer, or semitrailer.

29 ~~(B)(i)(3)(A)~~ (3)(A) The ~~tax shall~~ taxes apply regardless of
 30 whether the motor vehicle, trailer, or semitrailer is sold by a vehicle
 31 dealer or an individual, corporation, or partnership not licensed as a
 32 vehicle dealer.

33 ~~(ii)(B)~~ (B) The exemption ~~provided for~~ in § 26-52-
 34 401(17) for isolated sales ~~shall~~ does not apply to the sale of ~~motor~~
 35 ~~vehicles, trailers, or semitrailers~~ a motor vehicle, trailer, or semitrailer.

36 ~~(2)(A) The tax levied by this chapter and all other gross~~

1 ~~receipts taxes levied by the state in~~
 2 ~~respect to the sale of new or used motor vehicles, trailers, or semitrailers~~
 3 ~~required to be licensed in this state shall be paid by the consumer on or~~
 4 ~~before the time for registration as prescribed by § 27-14-903(a).~~

5 ~~(B)(i)(4) -Failure~~ If the consumer fails to pay the tax
 6 taxes when due; shall result in an assessment of

7 (A) There is assessed a penalty equal to ten percent (10%)
 8 of the amount of tax taxes due; and

9 ~~(ii) -The(B)~~ Before the director issues a license
 10 for the motor vehicle, trailer, or semitrailer, the consumer shall pay to the
 11 director the penalty under subdivision (a)(4)(A) of this section and the
 12 taxes due must be paid to the director along with the tax before the vehicle
 13 license will be issued.

14
 15 SECTION 22. Arkansas Code § 26-52-510(e) is amended to read as follows
 16 to remove obsolete language and make stylistic changes:

17 ~~(e)(1) -No credit shall be~~ A credit is not allowed for sales or use
 18 taxes paid to another state with respect to the purchase of ~~motor vehicles,~~
 19 ~~trailers, or semitrailers which were~~ a motor vehicle, trailer, or semitrailer
 20 that was first registered by the purchaser in Arkansas.

21 ~~(2) -This subsection shall apply to all motor vehicles, trailers,~~
 22 ~~or semitrailers purchased on or after November 3, 1989.~~

23
 24 SECTION 23. Arkansas Code § 26-52-510(g)(2)(B) is amended to read as
 25 follows to clarify a reference:

26 (B) The director may require additional information to
 27 conclusively establish the true selling price of the new or used trailer or or
 28 semitrailer.

29
 30 SECTION 24. Arkansas Code § 26-52-511(c) is amended to read as follows
 31 to clarify a reference:

32 (c) Each prepaid funeral contract shall state the following: "ALL
 33 SALES TAXES DUE ~~PURSUANT TO~~ UNDER THE ARKANSAS GROSS RECEIPTS ~~TAX~~ ACT OF 1941
 34 WHICH ARE NOT PAID IN FULL AS OF THE DATE OF THIS CONTRACT ARE DUE UPON THE
 35 DEATH OF THE INDIVIDUAL FOR WHOM THIS CONTRACT IS PURCHASED."

1 SECTION 25. Arkansas Code § 26-52-514(a)(1) is amended to read as
2 follows to correct obsolete language:

3 (1) ~~House trailers or mobile homes under § 26-52-504 [repealed]~~
4 Manufactured homes, mobile homes, or modular homes under § 26-52-801 et seq.;
5

6 SECTION 26. Arkansas Code § 26-52-516(b)(1) is amended to read as
7 follows to clarify the applicability of a definition and make a stylistic
8 change:

9 (b)(1) ~~“Child care facility”~~ As used in this section, “child care
10 facility” means a child care facility licensed ~~pursuant to~~ under § 20-78-201
11 et seq. To qualify as a child care facility, the child care facility ~~must~~
12 shall provide an appropriate early childhood program as defined in § 6-45-
13 103.
14

15 SECTION 27. Arkansas Code § 26-52-914(b) is repealed because it is
16 obsolete:

17 ~~(b) The benefits of exemptions granted pursuant to this section shall~~
18 ~~become effective on July 1, 1991.~~
19

20 SECTION 28. Arkansas Code § 26-53-102(7) is amended to read as follows
21 to make it consistent with the definition of "person" in § 26-52-103 and the
22 Streamlined Sales Tax Agreement and remove obsolete language:

23 (7)~~(A)~~ “Person” means any individual, partnership, limited
24 liability company, limited liability partnership, ~~joint venture,~~ corporation,
25 estate, trust, fiduciary, or any other legal entity.

26 ~~(B) It is the purpose and intent of the General Assembly in~~
27 ~~passing this subdivision (7) to provide the same definition for the word~~
28 ~~“person” in this subchapter as that word is defined in the Arkansas Gross~~
29 ~~Receipts Act of 1941, § 26-52-101 et seq., and the exclusion of any wording~~
30 ~~formerly appearing in the definition of the word “person” in this subchapter~~
31 ~~shall by no means be construed by the courts or by administrative officials~~
32 ~~as an intention of the General Assembly to grant any additional exclusion or~~
33 ~~exemption from the provisions of this subchapter;~~
34

35 SECTION 29. Arkansas Code § 26-53-106(a) is amended to read as follows
36 to clarify its applicability and clarify a reference:

1 (a) There is levied and there shall be collected from every person in
 2 this state a tax or excise for the privilege of storing, using, distributing,
 3 or consuming within this state any article of tangible personal property or
 4 taxable service purchased for storage, use, distribution, or consumption in
 5 this state at the rate of three percent (3%) of the sales price of the
 6 tangible personal property or taxable service except for food and food
 7 ingredients that are taxed under § 26-53-145.

8
 9 SECTION 30. Arkansas Code § 26-53-106(c) is amended to read as follows
 10 to clarify its applicability:

11 (c) This tax ~~shall apply~~ applies to use, storage, distribution, or
 12 consumption of every article of tangible personal property or taxable service
 13 except as provided in this subchapter irrespective of whether the article of
 14 tangible personal property or similar articles of tangible personal property
 15 or the taxable service ~~are~~ is manufactured within the State of Arkansas or
 16 ~~are~~ is available for purchase within the State of Arkansas and irrespective
 17 of any other condition.

18
 19 SECTION 31. Arkansas Code § 26-53-108 is amended to read as follows to
 20 clarify its applicability and make stylistic changes:

21 26-53-108. Imposition and rate of tax on certain personal property.
 22 A(a) For the following public carriers, a state
 23 compensating tax ~~in the amount~~ of three percent (3%) of the gross purchase
 24 price is levied on the ~~following described~~ tangible personal property of:

25 (1) ~~Public Carriers.~~

26 ~~(A) Motor Carriers—Tangible personal property carriers,~~
 27 consisting of tractors, trailers, semitrailers, trucks, buses, and other
 28 rolling stock, including replacement tires, used directly in the
 29 transportation of persons or property in intrastate or interstate common
 30 carrier transportation;

31 ~~(B)(2) Railroads, —All tangible personal property~~ except
 32 fuel consumed in the operation of railroad rolling stock;

33 ~~(C) (3) Pipelines, —Tangible personal property~~ consisting
 34 of transmission lines and pumping or pressure control equipment used directly
 35 in or connected to the primary pipeline facility engaged in intrastate or
 36 interstate common carrier transportation of property; and

1 ~~(D) (4) Airlines, —Tangible personal property~~ consisting
 2 of airplanes and navigation instruments used directly in or becoming a part
 3 of flight aircraft engaged in transportation of persons or property in
 4 regular scheduled intrastate or interstate common carrier transportation~~†.~~

5 ~~(2) —Public Telephone and Telegraph Companies. Tangible (b) For~~
 6 public telephone and telegraph companies, a state compensating tax of three
 7 percent (3%) of the gross purchase price is levied on tangible personal
 8 property consisting of exchange equipment, lines, boards, and all accessory
 9 devices used directly in and connected to the primary facility engaged in
 10 transmission of messages~~†.~~

11 ~~(3) —Public Utilities.~~(c) For the following public utilities, a
 12 state compensating tax of three percent (3%) of the gross purchase price is
 13 levied on the tangible personal property of:

14 ~~(A)(1) Gas companies, —Tangible personal property~~ consisting of
 15 transmission and distribution pipelines and pumping or pressure control
 16 equipment used in connection ~~therewith~~ with transmission and distribution
 17 pipelines which is that are used directly in the primary pipeline facility
 18 for the purpose of transporting and delivering natural gas;

19 ~~(B)(2) Water companies, —Tangible personal property~~ consisting
 20 of transmission and distribution lines, pumping machinery and controls used
 21 in connection ~~therewith~~ with transmission and distribution lines, and
 22 cleaning or treating equipment of a primary water distribution system; and

23 ~~(C) —Electric(3) Public electric power companies, —~~
 24 ~~Tangible personal property of public electric power companies~~ consisting of
 25 all machinery and equipment, including reactor cores~~†, and,~~ related accessory
 26 devices used in the generation and production of electric power and energy~~†,~~
 27 and transmission facilities consisting of the lines, including poles, towers,
 28 and other supporting structures, transmitting electric power and energy with
 29 substations located on and attached to ~~such~~ the lines.
 30

31 SECTION 32. Arkansas Code § 26-53-109(b) is repealed to remove
 32 obsolete language:

33 ~~(b) —It is found and determined by the General Assembly that~~
 34 ~~technological advances in the computer industry have created an uncertainty~~
 35 ~~as to whether sales of computer software constitute a transfer of tangible~~
 36 ~~personal property. This section is not intended to affect the taxability of~~

1 ~~any sales of computer software prior to February 9, 1984.~~

2
3 SECTION 33. Arkansas Code § 26-53-115(c) and (d) are amended to read
4 as follows to remove obsolete language:

5 (c)~~(1)~~ The General Assembly determines that it was not the intent of
6 this subchapter to impose the compensating tax upon aircraft, aircraft
7 equipment, and railroad parts, cars, and equipment, or to any tangible
8 personal property owned or leased by aircraft, airmotive, or railroad
9 companies as provided in § 26-53-106 and as classified by this section.

10 ~~(2) Any claim that the State of Arkansas now has for collection~~
11 ~~of compensating taxes upon any such aircraft, aircraft equipment, and~~
12 ~~railroad parts, cars, and equipment, or to tangible personal property owned~~
13 ~~or leased by aircraft, airmotive, or railroad companies brought into the~~
14 ~~State of Arkansas solely and exclusively for refurbishing, conversion, or~~
15 ~~modification shall not be collected, whether the claim is pending in the~~
16 ~~Revenue Division of the Department of Finance and Administration or is~~
17 ~~pending and unpaid as a result of any court litigation or court decision of~~
18 ~~this state.~~

19 ~~(3) It is the intent of the General Assembly that the State of~~
20 ~~Arkansas should not pursue collection of any claim now pending or the~~
21 ~~execution of any court order with respect to any such claim for the~~
22 ~~collection of compensating taxes upon such property.~~

23 ~~(d) However, no person shall have a claim against the State of~~
24 ~~Arkansas for any compensating tax paid to the State of Arkansas on or before~~
25 ~~February 16, 1976, with respect to such tangible personal property.~~

26
27 SECTION 34. Arkansas Code § 26-53-126(a) is amended to read as follows
28 to correct grammatical errors, correct duplicative language, clarify
29 applicability, and make stylistic changes:

30 (a)(1)~~(A)(i)~~ ~~All new and used motor vehicles, trailers, or~~
31 ~~semitrailers~~ Upon being registered in this state, a new or used motor
32 vehicle, trailer, or semitrailer required to be licensed in this state ~~shall~~
33 ~~be~~ is subject ~~upon being registered in this state~~ to the tax levied in this
34 subchapter and all other use taxes levied by the state ~~irrespective~~
35 regardless of whether ~~such~~ the motor vehicle, trailer, or semitrailer was
36 purchased from a dealer or an individual.

1 ~~(ii) The tax shall be paid to the Director of the~~
 2 ~~Department of Finance and Administration by the person making application to~~
 3 ~~register the motor vehicle, trailer, or semitrailer instead of being~~
 4 ~~collected by the dealer or individual seller.~~

5 (2)(A) On or before the time for registration as prescribed by §
 6 27-14-903(a), the person making application to register the motor vehicle,
 7 trailer, or semitrailer shall pay the taxes to the Director of the Department
 8 of Finance and Administration instead of the taxes being collected by the
 9 dealer or individual seller.

10 ~~(iii) It shall be the mandatory duty of the~~ (B) The
 11 ~~director to shall~~ shall collect the ~~tax~~ taxes before issuing a license for ~~any the~~
 12 motor vehicle, trailer, or semitrailer.

13 ~~(B)(3) The exemption provided for in § 26-52-401(17) for~~
 14 ~~isolated sales shall~~ does not apply to the sale of ~~motor vehicles, trailers,~~
 15 ~~and semitrailers~~ a motor vehicle, trailer, or semitrailer.

16 ~~(2)(A) The tax levied in this subchapter and all other use~~
 17 ~~taxes levied by the state shall be paid on or before the time for~~
 18 ~~registration as prescribed by § 27-14-903(a).~~

19 ~~(B)(i) Failure~~ (4) If the person making application to
 20 register the motor vehicle, trailer, or semitrailer fails to pay the tax
 21 taxes when due; shall result in an assessment of

22 (A) There is assessed a penalty equal to ten percent (10%)
 23 of the amount of tax due, taxes due; and

24 ~~(ii) The~~ (B) Before the director issues a license
 25 for the motor vehicle, trailer, or semitrailer, the person making application
 26 to register the motor vehicle, trailer, or semitrailer shall pay to the
 27 director the penalty under subdivision (a)(4)(A) of this section and the
 28 taxes due must be paid to the director along with the tax before the vehicle
 29 license will be issued.

30
 31 SECTION 35. Arkansas Code § 26-53-126(f)(2)(B) is amended to read as
 32 follows to clarify its applicability and a reference:

33 (B) The director may require additional information to
 34 conclusively establish the true selling price of the new or used trailer or or
 35 semitrailer.

36

1 SECTION 36. Arkansas Code § 26-53-130 is repealed to remove obsolete
2 language:

3 ~~26-53-130. Exemption for aircraft and railroad equipment in state for~~
4 ~~refurbishing, etc.~~

5 ~~(a) The General Assembly determines that:~~

6 ~~(1) It was not the intent of this subchapter to impose the~~
7 ~~compensating use tax upon aircraft, aircraft equipment, and railroad parts,~~
8 ~~cars, and equipment, or on any tangible personal property owned or leased by~~
9 ~~aircraft, airmotive, or railroad companies, as provided in §§ 26-53-106 and~~
10 ~~26-53-115 and as classified by this section; and~~

11 ~~(2) Any claim that the State of Arkansas now has for collection~~
12 ~~of compensating use taxes upon any aircraft, aircraft equipment, and railroad~~
13 ~~parts, cars, and equipment, or on tangible personal property owned or leased~~
14 ~~by aircraft, airmotive, or railroad companies brought into the State of~~
15 ~~Arkansas solely and exclusively for refurbishing, conversion, or modification~~
16 ~~shall not be collected, whether the claim is pending in the Revenue Division~~
17 ~~of the Department of Finance and Administration or is pending and unpaid as a~~
18 ~~result of any court litigation or court decision of this state.~~

19 ~~(b) It is the intent of the General Assembly that the State of~~
20 ~~Arkansas should not pursue the collection of any claim now pending or the~~
21 ~~execution of any court order with respect to any claim for the collection of~~
22 ~~compensating use taxes upon such property.~~

23 ~~(c) No person shall have a claim against the State of Arkansas for any~~
24 ~~compensating use tax paid to the State of Arkansas on or before April 7,~~
25 ~~1987, with respect to this tangible personal property.~~

26
27 SECTION 37. Arkansas Code § 26-53-131(c)(2) is repealed to remove
28 obsolete language:

29 ~~(2) This subsection shall apply to all motor vehicles, trailers,~~
30 ~~or semitrailers purchased on or after November 3, 1989.~~

31
32 SECTION 38. Arkansas Code § 26-53-132(b)(1) is amended to read as
33 follows to clarify the applicability of a definition and make a stylistic
34 change:

35 (b)(1) ~~"Child care facility"~~ As used in this section, "child care
36 facility" means a child care facility licensed pursuant to under § 20-78-201

1 et seq. To qualify as a child care facility, the child care ~~must~~ shall
 2 provide an appropriate early childhood program as defined in § 6-45-103.

3
 4 SECTION 39. Arkansas Code § 26-53-145(b) is amended to read as follows
 5 to remove duplicative definitions in light of § 26-53-102 which is the
 6 general definitions section for Title 26, Chapter 53, Subchapter 1, and
 7 applies to § 26-53-145:

8 (b) As used in this section:

9 ~~(1) "Alcoholic beverage" means a beverage that is suitable for~~
 10 ~~human consumption and contains five tenths of one percent (0.5%) or more of~~
 11 ~~alcohol by volume;~~

12 ~~(2) "Dietary supplement" means any product, other than tobacco,~~
 13 ~~intended to supplement the diet that:~~

14 ~~(A) Contains one (1) or more of the following dietary~~
 15 ~~ingredients:~~

16 ~~(i) A vitamin;~~

17 ~~(ii) A mineral;~~

18 ~~(iii) An herb or other botanical;~~

19 ~~(iv) An amino acid;~~

20 ~~(v) A dietary substance for use by humans to~~
 21 ~~supplement the diet by increasing the total dietary intake; or~~

22 ~~(vi) A concentrate, metabolite, constituent,~~
 23 ~~extract, or combination of any ingredient described in this subdivision~~
 24 ~~(b)(2)(A), and is intended for ingestion in tablet, capsule, powder, softgel,~~
 25 ~~geleap, or liquid form, or if not intended for ingestion in such a form, is~~
 26 ~~not represented as conventional food and is not represented for use as a sole~~
 27 ~~item of a meal or of the diet; and~~

28 ~~(B) Is required to be labeled as a dietary supplement,~~
 29 ~~identifiable by the "Supplement Facts" box found on the label and as required~~
 30 ~~pursuant to 21 C.F.R. § 101.36, as it existed on January 1, 2007;~~

31 ~~(3)(A) "Food and food ingredients" means substances, whether in~~
 32 ~~liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold~~
 33 ~~for ingestion or chewing by humans and are consumed for their taste or~~
 34 ~~nutritional value.~~

35 ~~(B) "Food and food ingredients" does not include an~~
 36 ~~alcoholic beverage, tobacco, a dietary supplement, or prepared food (1)~~

1 "Food" and "food ingredients" mean the same as defined in § 26-53-102 except
 2 that "food" and "food ingredients" do not include prepared food; and

3 ~~(4)(A) (2) "Prepared food" means+~~

4 ~~(i) Food sold in a heated state or heated by the~~
 5 ~~seller;~~

6 ~~(ii) Two (2) or more food ingredients mixed or~~
 7 ~~combined by the seller for sale as a single item; or~~

8 ~~(iii)(a) Food sold with an eating utensil provided~~
 9 ~~by the seller, including a plate, knife, fork, spoon, glass, cup, napkin, or~~
 10 ~~straw.~~

11 ~~(b) As used in this subdivision (b)(4)(A)(iii), "plate" does not~~
 12 ~~include a container or packaging used to transport the food.~~

13 ~~(B) "Prepared food" the same as defined in § 26-53-102~~
 14 ~~except that "prepared food" does not include food that is only cut,~~
 15 ~~repackaged, or pasteurized by the seller, or eggs, fish, meat, poultry, and~~
 16 ~~foods containing these raw animal foods requiring cooking by the consumer to~~
 17 ~~prevent food-borne illnesses as recommended by the Food and Drug~~
 18 ~~Administration in its 2005 Food Code, § 3-401.11, as it existed on January 1,~~
 19 ~~2007; and~~

20 ~~(5) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco,~~
 21 ~~or any other item that contains tobacco.~~

22
 23 SECTION 40. Arkansas Code § 26-54-102(b)(3) is amended to read as
 24 follows to correct obsolete language:

25 (3) Organizations formed pursuant to the Uniform Partnership
 26 Act, § 4-42-101 et seq. [repealed], or the Uniform Limited Partnership Act, §
 27 4-44-101 et seq. [repealed] under or governed by the Uniform Partnership Act
 28 (1996), § 4-46-101 et seq., or the Uniform Limited Partnership Act (2001), §
 29 4-47-101 et seq.

30
 31 SECTION 41. Arkansas Code § 26-55-102(b) is amended to read as follows
 32 to remove obsolete language:

33 (b) At any time the adjoining city or town in Arkansas by ordinances
 34 may provide levy a privilege tax on the buses sufficient to reimburse ~~such~~
 35 the city or town for the use of its streets, ~~and that tax may be greater in~~
 36 ~~amount than authorized in Crawford and Moses' Digest, § 7444 [repealed].~~

1
2 SECTION 42. Arkansas Code § 26-55-213(b)(1) is amended to read as
3 follows to classify a criminal offense, remove obsolete language, and make
4 stylistic changes:

5 (b)(1) ~~Any~~ Upon conviction, a person who engages in business in the
6 State of Arkansas as a distributor without being the holder of an uncanceled
7 license to engage in the business ~~shall upon conviction be~~ is guilty of an
8 unclassified misdemeanor and shall be punished by a fine of not less than one
9 thousand dollars (\$1,000) nor more than ten thousand dollars (\$10,000) or
10 imprisonment ~~in the county jail~~ for a term of not less than thirty (30) days
11 and not more than one (1) year, or both ~~such~~ fine and imprisonment.
12

13 SECTION 43. The introductory language of Arkansas Code § 26-55-214(a)
14 is amended to read as follows to clarify a reference:

15 (a) To procure ~~such a distributor's~~ license, every distributor shall
16 file with the Director of the Department of Finance and Administration an
17 application upon oath and in ~~such form as the director may prescribe~~ a form
18 prescribed by the director, setting forth:
19

20 SECTION 44. Arkansas Code § 26-55-214(a)(2) is amended to read as
21 follows to add clarifying language:

22 (2) The location, with street address, of its principal office
23 or place of business within this state and all of its separate places of
24 business within this state; and
25

26 SECTION 45. Arkansas Code § 26-55-214(b)(1) is amended to read as
27 follows to remove obsolete language and clarify a reference:

28 (b)(1) Concurrent with the filing of an application for a
29 distributor's license, every distributor shall file with the director a bond
30 of the character stipulated and in the amount provided for in §§ 26-55-222
31 ~~and 26-55-228 [repealed]~~.
32

33 SECTION 46. Arkansas Code § 26-55-218 is amended to read as follows to
34 clarify a reference:

35 26-55-218. Distributor's license – Expiration.

36 ~~The~~ A distributor's license ~~shall remain in full force and~~ remains in

1 effect until cancelled as provided in this subchapter.

2
3 SECTION 47. Arkansas Code § 26-55-229(c)(7) is amended to read as
4 follows to add clarifying language and make a stylistic change:

5 (7) An itemized statement of the number of gallons of motor fuel
6 received during the next-preceding calendar month and deductible under ~~the~~
7 ~~provisions of~~ § 26-55-230(a)(1)(D); and

8
9 SECTION 48. Arkansas Code § 26-55-230(a)(1)(E)(ii) is amended to read
10 as follows to add clarifying language:

11 (ii) The deduction for the loss may be included in
12 the report filed for the month in which the loss occurred or in any
13 subsequent report filed within a period of one (1) year; and

14
15 SECTION 49. Arkansas Code § 26-55-230(a)(2) is amended to read as
16 follows to add clarifying language and make stylistic changes:

17 (2) The number of gallons remaining after the deductions
18 ~~hereinabove~~ set forth in subdivision (a)(1) of this section have been made
19 shall be multiplied by the rate of tax ~~provided in~~ under § 26-55-205; and

20
21 SECTION 50. Arkansas Code § 26-55-236 is amended to read as follows to
22 classify a criminal offense, remove obsolete language, and make stylistic
23 changes:

24 26-55-236. Failure to file reports, statements, or returns –
25 Falsification – Penalties.

26 ~~Any~~ Upon conviction, a person who refuses or neglects to make any
27 statement, report, or return required by ~~the provisions of~~ this subchapter or
28 who knowingly makes, ~~or~~ aids, or assists ~~any other~~ another person in making a
29 false statement in a return or report required by this subchapter to the
30 Director of the Department of Finance and Administration ~~upon conviction is~~
31 guilty of an unclassified misdemeanor and shall be punished by a fine of not
32 less than one thousand dollars (\$1,000) nor more than ten thousand dollars
33 (\$10,000) or imprisonment ~~in the county jail~~ for a term of not less than
34 thirty (30) days and not more than one (1) year, or both ~~such~~ fine and
35 imprisonment.

36

1 SECTION 51. Arkansas Code § 26-55-237(d) is amended to read as follows
 2 to classify a criminal offense, remove obsolete language, and make stylistic
 3 changes:

4 (d) ~~Any~~ Upon conviction, a person willfully knowingly violating ~~any of~~
 5 ~~the provisions of this section shall be~~ is guilty of ~~a~~ an unclassified
 6 misdemeanor and ~~upon conviction~~ shall be sentenced to pay a fine of one
 7 thousand dollars (\$1,000) and costs of prosecution or to undergo imprisonment
 8 for not more than one (1) year, or both ~~in the discretion of the court.~~

9
 10 SECTION 52. Arkansas Code § 26-55-240(d) is amended to read as follows
 11 to classify a criminal offense, remove obsolete language, and make stylistic
 12 changes:

13 (d) ~~Any~~ Upon conviction, a person violating ~~any of the provisions of~~
 14 this section ~~shall be~~ is guilty of ~~a~~ an unclassified misdemeanor and ~~upon~~
 15 ~~conviction~~ shall be sentenced to pay a fine of not less than fifty dollars
 16 (\$50.00) nor more than three hundred dollars (\$300) and costs of the
 17 prosecution, ~~or to undergo~~ imprisonment for not more than one (1) year, or
 18 both.

19
 20 SECTION 53. Arkansas Code § 26-55-245(c)(3) is repealed because it is
 21 obsolete:

22 ~~(3) Upon the approval in any amount by the director for any~~
 23 ~~deduction or credit, the director shall then transmit the certificate of~~
 24 ~~approval of the supervisor of the section and his or her own to the director~~
 25 ~~who himself or herself or by his or her duly authorized representative shall~~
 26 ~~review the approvals for confirmation or rejection and shall certify or~~
 27 ~~reject and return them to the director.~~

28
 29 SECTION 54. Arkansas Code § 26-55-248 is amended to read as follows to
 30 classify a criminal offense, remove obsolete language, and make stylistic
 31 changes:

32 26-55-248. Sale of fuels purchased from other than duly licensed
 33 distributor – Penalties.

34 ~~Any~~ A person who sells ~~any~~ motor fuel purchased by ~~a person~~ him or her
 35 from any person other than a duly licensed distributor upon which the tax
 36 ~~herein imposed shall not be~~ by this subchapter has not been paid, upon

1 conviction is guilty of an unclassified misdemeanor and shall be punished by
 2 a fine of not less than one thousand dollars (\$1,000) nor more than ten
 3 thousand dollars (\$10,000) or imprisonment ~~in the county jail~~ for a term of
 4 not less than thirty (30) days and not more than one (1) year, or both fine
 5 and imprisonment.

6
 7 SECTION 55. Arkansas Code § 26-55-603(a) and (b) are amended to read
 8 as follows to correctly classify criminal offenses and make stylistic
 9 changes:

10 (a) ~~Any~~ Upon conviction, a person transporting fuels into the State of
 11 Arkansas without the appropriate bill of lading and import/export load permit
 12 or interstate shipment record as required by this subchapter ~~shall be is~~
 13 guilty of a ~~misdemeanor~~ violation and shall be fined not more than two
 14 thousand five hundred dollars (\$2,500), of which one-half ($\frac{1}{2}$) shall be
 15 deposited with the Treasurer of State as special highway revenues to be
 16 disbursed in the same manner and to be used for the same purposes ~~as is~~ set
 17 out in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

18 (b) ~~Any~~ Upon conviction, a person is guilty of a violation and subject
 19 to the penalty in subsection (a) of this section if the person: who shall
 20 make,

21 (1) Makes or ~~assist~~ assists ~~any other~~ another person to make,
 22 ~~any a~~ false or fraudulent statement in any report required by this
 23 subchapter, ~~or~~ the Motor Fuel Tax Law, § 26-55-201 et seq., or the Special
 24 Motor Fuels Tax Law, § 26-56-101 et seq., ~~or who shall fail;~~

25 (2) Fails to include any information demanded by this
 26 subchapter, ~~or~~ the Motor Fuel Tax Law, § 26-55-201 et seq., or the Special
 27 Motor Fuels Tax Law, § 26-56-101 et seq., ~~or who shall fail~~

28 (3) Fails to produce upon request of proper authority any
 29 information required in this subchapter, ~~or~~ the Motor Fuel Tax Law, § 26-55-
 30 201 et seq., or the Special Motor Fuels Tax Law, § 26-56-101 et seq., ~~shall~~
 31 ~~be guilty of a misdemeanor and subject to the penalties as provided in this~~
 32 ~~section.~~

33
 34 SECTION 56. Arkansas Code § 26-55-702 is amended to read as follows
 35 to remove obsolete language and make stylistic changes:

36 26-55-702. Liability for tax.

1 Any person, firm, or corporation that operates on the highways of this
 2 state ~~any~~ a motor carrier, bus, truck, transport, or other motor vehicle,
 3 having a gross loaded weight of twenty-six thousand one pounds (26,001 lbs.)
 4 or more, and having motor fuel commonly or commercially sold and used as
 5 gasoline as defined in § 26-55-202 in its fuel tank or tanks, upon which the
 6 Arkansas motor fuel tax has not been paid, ~~shall be~~ is liable for a tax at
 7 the rate per gallon ~~provided in~~ under § 26-55-205 on all such gasoline used
 8 or consumed in the State of Arkansas, subject to ~~the provisions of §§ 26-55-~~
 9 ~~710 and 26-55-715 [repealed].~~

10
 11 SECTION 57. Arkansas Code § 26-55-712 is amended to read as follows to
 12 clarify the culpable mental state required to commit a criminal offense,
 13 clarify a reference, and make stylistic changes:

14 26-55-712. Bonded and unbonded interstate users – Knowing ~~and~~
 15 ~~intentional~~ failure to pay tax or penalty.

16 ~~Any~~ Upon conviction, a bonded or unbonded motor fuel user who knowingly
 17 ~~and intentionally~~ fails to pay the Arkansas gallonage tax due the State of
 18 Arkansas on motor fuel used on the highways of this state as required in §
 19 26-55-710 with respect to motor fuel taxes on Class C vehicles, or knowingly
 20 ~~and intentionally~~ fails to pay the penalty on the motor fuel on which the
 21 Arkansas motor fuel tax has not been paid as required in § 26-55-711 ~~shall be~~
 22 is guilty of a Class A misdemeanor ~~and upon conviction shall be punished in~~
 23 ~~the manner provided by law.~~

24
 25 SECTION 58. Arkansas Code § 26-55-714(d)(3) is amended to read as
 26 follows to add clarifying language and make a stylistic change:

27 (3) Each claim for refund ~~must~~ shall be upon the request of the
 28 interstate user, which shall be verified by the interstate user as to its
 29 accuracy and validity; and

30
 31 SECTION 59. Arkansas Code § 26-55-718 is amended to read as follows to
 32 correctly classify a criminal offense, clarify a reference, and make
 33 stylistic changes:

34 26-55-718. Failure to file report or pay tax, filing fraudulent
 35 reports, etc. – Penalties.

36 ~~Any~~ (a) Upon conviction, a person who uses gasoline in this state and

1 fails to pay the tax levied by this subchapter or any person who makes a
 2 false or fraudulent report ~~hereunder~~ under this subchapter or who otherwise
 3 violates ~~any of the provisions of~~ this subchapter ~~shall be~~ is guilty of a ~~a~~ an
 4 unclassified misdemeanor and ~~upon conviction~~ shall be punished by a fine of
 5 not less than one hundred dollars (\$100) nor more than one thousand dollars
 6 (\$1,000) or by imprisonment ~~in the county jail~~ for not more than one (1)
 7 year, or by both ~~such~~ fine and imprisonment.

8 (b) Each separate day of ~~the violation shall constitute~~ is a separate
 9 offense.

10
 11 SECTION 60. Arkansas Code § 26-55-804(1)(C) is amended to read as
 12 follows to add clarifying language and clarify a reference:

13 (C) The invoice or sales ticket shall be preserved and
 14 retained by the owner or operator for ~~a period of~~ not less than three (3)
 15 years and shall be produced for the inspection and examination of the
 16 director or his or her authorized agent or employee, at any reasonable time
 17 and place, either ~~within~~ inside or ~~without~~ outside this state, upon proper
 18 demand ~~therefor,~~ for the invoice or sales ticket; or

19
 20 SECTION 61. Arkansas Code § 26-55-903(d) is amended to read as follows
 21 to clarify the procedure for adoption, amendment, or repeal of rules
 22 promulgated under Title 26, Chapter 55, Subchapter 9:

23 (d)~~(1)~~ The rules ~~or regulations~~ promulgated under this subchapter and
 24 any addition to or amendment or repeal ~~thereof~~ of the rules shall be adopted,
 25 changed, amended, or repealed only after full public hearing, which shall be
 26 adjourned from time to time as ~~may be~~ necessary to permit all interested or
 27 affected parties to be heard.

28 (2) At least thirty (30) days' prior written notice of the
 29 commencement of ~~such~~ the hearing shall be published two (2) times in one (1)
 30 newspaper of general circulation ~~which~~ that has been designated for that
 31 purpose by the director.

32 (3) The notice shall state the time, place, and purpose of the
 33 hearing and shall either set forth in full the rule ~~or regulation~~ to be
 34 considered or shall state where and how ~~such~~ the full text may be obtained.

35 (4) A copy of the notice shall be sent at the same time to every
 36 person who ~~shall have~~ has registered with the director a request to be so

1 notified, together with the name and address to which ~~such~~ the notice should
2 be sent.

3 (5) Any ~~such~~ rule ~~or regulation~~ or amendment or repeal thereof
4 of a rule shall be effective sixty (60) days after ~~certified~~ copies have been
5 filed ~~as required by Acts 1953, No. 183 [repealed]~~ according to the Arkansas
6 Administrative Procedure Act, § 25-15-201 et seq.

7
8 SECTION 62. Arkansas Code § 26-55-1006(a) is amended to read as
9 follows to remove obsolete language and clarify a reference:

10 (a)~~(1)~~ ~~On and after July 1, 1999, in~~ In addition to the taxes levied
11 on motor fuel in §§ 26-55-205, 26-55-1002, and 26-55-1201, there is levied an
12 additional excise tax of ~~one cent (1¢)~~ three cents (3¢) per gallon ~~upon on~~
13 all motor fuels subject to the taxes levied in ~~those sections~~ §§ 26-55-205,
14 26-55-1002, and 26-55-1201.

15 ~~(2) On and after July 1, 2000, the additional tax levied by this~~
16 ~~subsection shall be increased to two cents (2¢) per gallon.~~

17 ~~(3) On and after July 1, 2001, the additional tax levied by this~~
18 ~~subsection shall be increased to three cents (3¢) per gallon.~~

19
20 SECTION 63. Arkansas Code § 26-56-107 is amended to read as follows to
21 clarify a criminal offense:

22 26-56-107. False or fraudulent reports – Fraudulent avoidance of tax –
23 Penalty.

24 ~~Any~~ Upon conviction, a person who makes a false or fraudulent report
25 ~~hereunder~~ under this chapter or who fraudulently attempts to avoid the
26 payment of the tax ~~herein~~ levied in this chapter on any distillate special
27 fuel or liquefied gas special fuels ~~shall be~~ is guilty of a an unclassified
28 misdemeanor and ~~upon conviction~~ shall be fined not less than two hundred
29 dollars (\$200) nor more than two thousand dollars (\$2,000) or by imprisonment
30 for not less than thirty (30) days nor more than six (6) months, or both ~~so~~
31 fined and imprisoned.

32
33 SECTION 64. Arkansas Code § 26-56-202(b) and (c) are amended to read
34 as follows to remove obsolete language and correct a grammatical error:

35 (b) The tax levied by this subchapter shall be paid by an interstate
36 user on distillate special fuel imported into this state by ~~them~~ the

1 interstate user as provided by under §§ 26-56-211 [repealed] and § 26-56-214.

2 (c) The tax levied by this subchapter shall be paid by any person who
 3 uses distillate special fuel in this state on which the tax levied in this
 4 subchapter has not been paid ~~in accordance with~~ according to the provisions
 5 ~~of §§ 26-56-211 [repealed] and § 26-56-214.~~

6
 7 SECTION 65. Arkansas Code § 26-56-206 is amended to read as follows to
 8 remove obsolete language and make a stylistic change:

9 26-56-206. Dealers' licenses and bonds – Municipal taxes.

10 ~~Nothing in §§ 26-56-204 and 26-56-205 [repealed] shall~~ Section 26-56-
 11 204 shall not be construed so as to does not prevent the collection of any
 12 privilege or occupation taxes by any municipality of this state for engaging
 13 in the business of a dealer within the limits of the municipality.

14
 15 SECTION 66. Arkansas Code § 26-56-213 is amended to read as follows to
 16 clarify the culpable mental state for a criminal offense, clarify criminal
 17 offenses, and make stylistic changes:

18 26-56-213. Bonded and unbonded users – ~~Knowing and intentional~~ failure
 19 to pay tax or penalty.

20 ~~Any~~ Upon conviction, a bonded or unbonded distillate special fuel user
 21 is guilty of a Class A misdemeanor if the bonded or unbonded distillate
 22 special fuel user who knowingly ~~and intentionally~~ fails to pay the:

23 (1) Arkansas gallonage tax due the State of Arkansas on motor
 24 fuel and distillate special fuel used on the highways of this state as
 25 required in § 26-56-214 with respect to distillate special fuel tax used on
 26 Class B vehicles, ~~and ; or knowingly and intentionally fails to pay the~~
 27 penalty

28 (2) Penalty on the fuel on which the Arkansas distillate special
 29 fuel tax has not been paid, as required in § 26-56-214, ~~shall be guilty of a~~
 30 ~~Class A misdemeanor and upon conviction shall be punished in the manner~~
 31 provided by law.

32
 33 SECTION 67. Arkansas Code § 26-56-215(d)(3) is amended to read as
 34 follows to add clarifying language and make a stylistic change:

35 (3) Each claim for refund ~~must~~ shall be upon the request of the
 36 interstate user, which shall be verified by the interstate user as to its

1 accuracy and validity; and

2
3 SECTION 68. Arkansas Code § 26-56-221 is amended to read as follows to
4 add clarifying language and make stylistic changes:

5 26-56-221. Distribution of taxes.

6 ~~Of the one cent (1¢) additional tax levied on all distillate special~~
7 ~~fuel under the provisions~~ (a) Taxes from one cent (1¢) of the tax levied on
8 distillate special fuel in § 26-56-201(a)(1)(A) resulting from ~~of~~ Acts 1979,
9 No. 437, § 2, ~~the tax~~ shall be remitted to the Treasurer of State separate
10 ~~and apart~~ from other distillate special fuel taxes, ~~and the~~.

11 (b) The gross amount thereof, of the taxes described in subsection (a)
12 of this section without making any deduction therefrom for credit to the
13 Constitutional Officer's Fund and the State Central Services Fund, shall be
14 distributed as ~~provided by~~ under the Arkansas Highway Revenue Distribution
15 Law, §§ 27-70-201 – 27-70-203, 27-70-206, and 27-70-207, without making any
16 deduction for credit to the Constitutional Officers Fund and the State
17 Central Services Fund.

18
19 SECTION 69. Arkansas Code § 26-57-211 as amended by Acts 1997, No. 434
20 is repealed because its provisions are being included in and resolved with §
21 26-57-211 as amended by Acts 1997, No. 1337:

22 ~~26-57-211. Wholesaler to pay taxes — Reports and remittance of tax. [As~~
23 ~~amended by Acts 1997, No. 434.]~~

24 ~~(a) Every wholesaler, or retailer who purchases tobacco products~~
25 ~~directly from the manufacturer shall pay the taxes levied by this subchapter.~~

26 ~~(b)(1) On or before the fifteenth day of each month, every wholesaler~~
27 ~~shall file a report for the previous month's tax collections with the~~
28 ~~Director of the Department of Finance and Administration.~~

29 ~~(2) The report shall provide the information prescribed by the~~
30 ~~director.~~

31 ~~(c)(1) When the report is filed, the wholesaler shall remit therewith~~
32 ~~to the director ninety eight percent (98%) of the tax due under §§ 26-57-1101~~
33 ~~and 26-57-1102, as amended by § 26-57-803.~~

34 ~~(2) Failure of the stamps deputy to remit such tax on or before~~
35 ~~the twentieth day of each applicable month shall cause the wholesaler to~~
36 ~~forfeit his or her claim to the discount, and the wholesaler must remit to~~

1 ~~the director one hundred percent (100%) of the amount of tax due, plus any~~
2 ~~penalty or interest due.~~

3 ~~(d)(1) The director may add a penalty of ten percent (10%) of the tax~~
4 ~~due to the tax due for the failure to file a report or for the failure to~~
5 ~~remit the taxes at the time required, or for both.~~

6 ~~(2) In the event the director determines there has been an~~
7 ~~attempt to evade the tax, a penalty of not more than fifty percent (50%) of~~
8 ~~the tax due shall be added to the tax due.~~

9 ~~(e)(1)(A) In computing the amount of tax due under this subchapter,~~
10 ~~and any act supplemental thereto, a wholesaler may deduct the cost of~~
11 ~~cigarette tax stamps and tobacco taxes lost through bad debts.~~

12 ~~(B) Any deduction taken or refund paid attributable to bad~~
13 ~~debts shall not include interest.~~

14 ~~(C) Bad debts incurred for sales made prior to August 13,~~
15 ~~1993, shall not be deducted.~~

16 ~~(D) Bad debts must be deducted within three (3) years of~~
17 ~~the date of the sale for which the debt was incurred.~~

18 ~~(E) If a deduction is taken for a bad debt and the~~
19 ~~taxpayer subsequently collects the debt in whole or in part, the tax on the~~
20 ~~amount so collected shall be paid and reported on the next return due after~~
21 ~~the collection.~~

22 ~~(2)(A) As used in this section, "bad debt" means any cigarette~~
23 ~~or tobacco tax which the wholesaler legally claims as a bad debt deduction~~
24 ~~for federal income tax purposes.~~

25 ~~(B) "Bad debt" includes, but is not limited to, worthless~~
26 ~~checks, worthless credit card payments, and uncollectible credit accounts.~~

27 ~~(C) "Bad debt" does not include financing charges or~~
28 ~~interest, uncollectible amounts on property that remains in the possession of~~
29 ~~the taxpayer or vendor until the full purchase price is paid, expenses~~
30 ~~incurred in attempting to collect any debt, debts sold or assigned to third~~
31 ~~parties for collection, and repossessed property.~~

32
33 SECTION 70. Arkansas Code § 26-57-211 as amended by Acts 1997, No.
34 1337 is amended to read as follows to include provisions from and resolve
35 issues with § 26-57-211 as amended by Acts 1997, No. 434:

36 26-57-211. Wholesaler to pay taxes – Reports and remittance of tax.

1 [As amended by Acts 1997, No. 1337.]

2 (a)(1)(A) The taxes levied by this subchapter shall be reported and
3 paid by wholesalers licensed ~~pursuant to~~ under § 26-57-214.

4 (B) However, retailers shall be liable for reporting and
5 paying these taxes when a retailer purchases tobacco products directly from a
6 manufacturer or from a wholesaler or distributor not licensed ~~pursuant to~~
7 under § 26-57-214.

8 (2)(A) ~~Any~~ A taxpayer who fails to report and remit the tobacco
9 tax due on tobacco products purchased from manufacturers, distributors, or
10 wholesalers who are not licensed under § 26-57-214 shall be subject to the
11 following penalties:

12 (i) Five percent (5%) of the total tobacco tax due
13 for the first offense;

14 (ii) Twenty percent (20%) of the total tobacco tax
15 due for the second offense; and

16 (iii) Twenty-five percent (25%) of the total tobacco
17 tax due for the third and any subsequent offenses.

18 (B) In addition, the taxpayer's retail cigarette/tobacco
19 permit shall be revoked for a period of ninety (90) days for the third and
20 any subsequent offenses.

21 (3) ~~The provisions of this subsection shall~~ This subsection does
22 not affect ~~the provisions of~~ § 26-57-228.

23 (b)(1) On or before the fifteenth day of each month, every wholesaler
24 shall file a report for the previous month's tax collections with the
25 Director of the Department of Finance and Administration.

26 (2) The report shall provide the information prescribed by the
27 director.

28 (c)(1)(A)(i) When the report under subsection (b) of this section is
29 filed, the wholesaler shall remit ~~the full amount to the director with the~~
30 report ninety-eight percent (98%) of the tax due for the previous month to
31 ~~the director.~~

32 (ii) The discount of two percent (2%) under
33 subdivision (c)(1)(A)(i) of this section does not apply to taxes due under §
34 26-57-804 or § 26-57-805.

35 (B) If the stamps deputy fails to remit the tax on or
36 before the twentieth day of each applicable month, the wholesaler forfeits

1 his or her claim to the discount described in subdivision (c)(1)(A) of this
2 section and the wholesaler shall remit to the director one hundred percent
3 (100%) of the amount of tax due, plus any penalty or interest due.

4 (2) ~~In the event~~ If the payment of any tax due becomes
5 delinquent, the taxpayer shall remit the full amount of the tax due plus
6 penalty.

7 (d)(1) The director may add a penalty of ten percent (10%) of the tax
8 due to the tax due for the failure to file a report or for the failure to
9 remit the taxes at the time required, or for both.

10 (2) ~~In the event~~ If the director determines there has been an
11 attempt to evade the tax, a penalty of not more than fifty percent (50%) of
12 the tax due shall be added to the tax due.

13 (e)(1)(A) In computing the amount of tax due under this subchapter and
14 any act supplemental to this subchapter, a wholesaler may deduct the cost of
15 cigarette tax stamps and tobacco taxes lost through bad debts.

16 (B) Any deduction taken or refund paid attributable to bad
17 debts shall not include interest.

18 (C) A bad debt incurred for a sale made ~~prior to~~ before
19 August 13, 1993, shall not be deducted.

20 (D) A bad debt must be deducted within three (3) years of
21 the date of the sale for which the debt was incurred.

22 (E) If a deduction is taken for a bad debt and the
23 taxpayer subsequently collects the debt in whole or in part, the tax on the
24 amount so collected shall be paid and reported on the next return due after
25 the collection.

26 (2)(A) As used in this section, "bad debt" means any cigarette
27 or tobacco tax ~~which~~ that the wholesaler legally claims as a bad debt
28 deduction for federal income tax purposes.

29 (B) "Bad debt" includes, ~~but is not limited to,~~ without
30 limitation a worthless check, a worthless credit card payment, and an
31 uncollectible credit account.

32 (C) "Bad debt" does not include financing charges or
33 interest, an uncollectible amount on property that remains in the possession
34 of the taxpayer or vendor until the full purchase price is paid, expenses
35 incurred in attempting to collect any debt, a debt sold or assigned to a
36 third party for collection, and repossessed property.

1
 2 SECTION 71. Arkansas Code § 26-57-233(3) is amended to read as follows
 3 to add clarifying language:

4 (3) The salesperson may sell to or take orders for tobacco
 5 products from licensed retailers provided that the tobacco products shall be
 6 delivered to the retailer only by a licensed wholesaler; and
 7

8 SECTION 72. Arkansas Code § 26-57-236, as amended by Acts 1997, No.
 9 434, is repealed because it is being reconciled into Arkansas Code § 26-57-
 10 236, as amended by Acts 1997, No. 1337, by this act:

11 ~~26-57-236. Stamp deputies. [As amended by Acts 1997, No. 434.]~~

12 ~~(a) The Director of the Department of Finance and Administration shall~~
 13 ~~furnish stamps to licensed wholesalers directly or through stamp deputies.~~

14 ~~(b) The director may appoint and commission stamp deputies, who shall~~
 15 ~~be the owners or officers of wholesalers, to handle the stamps and collect~~
 16 ~~the tax on cigarettes before sales of cigarettes are made to the retailers.~~

17 ~~(c) Stamp deputies are, within the scope of their authority, agents of~~
 18 ~~the director and shall be accountable as such for any wrongful acts.~~

19 ~~(d) Each stamp deputy shall furnish a bond in an amount and in the~~
 20 ~~form as prescribed by the director.~~

21 ~~(e) A stamp deputy's open account shall not exceed seventy five~~
 22 ~~percent (75%) of the total amount of the bond provided by the stamp deputy.~~

23 ~~(f) Stamp deputies shall keep records of all stamp sales and tax~~
 24 ~~collections and shall make the reports prescribed by the director.~~

25 ~~(g)(1) A commission shall be paid by the director to stamp deputies~~
 26 ~~for the sales and collection of cigarette tax stamps and for affixing the tax~~
 27 ~~stamps to each package of cigarettes.~~

28 ~~(2) The commission shall not be less than three and eight tenths~~
 29 ~~percent (3.8%) of the total aggregate cigarette tax collected.~~

30 ~~(h)(1) All deposits held by any bank for a stamp deputy which~~
 31 ~~represent the sales of stamps are trust funds and shall be held as a special~~
 32 ~~deposit.~~

33 ~~(2) In the event of the failure or insolvency of the bank, the~~
 34 ~~deposits shall be classed and considered as preferred claims due the State of~~
 35 ~~Arkansas.~~

36

1 SECTION 73. Arkansas Code § 26-57-236(f), as amended by Acts 1997, No.
2 1337, is amended to read as follows for consistency with former § 26-57-236,
3 as amended by Acts 1997, No. 434, repealed by this act:

4 (f) ~~A commission shall be paid by the~~ The Director of the Department
5 of Finance and Administration shall pay a commission to stamp deputies for
6 the sale of ~~stamps for cigarettes~~ cigarette tax stamps, the affixing of a
7 cigarette tax stamps stamp to each package of cigarettes, and the collection
8 of cigarette taxes. The commission paid shall not be less than three and
9 eight-tenths percent (3.8%) of the total aggregate cigarette tax collected.

10
11 SECTION 74. Arkansas Code § 26-57-240 is amended to read as follows to
12 clarify the culpable mental state for a criminal offense, classify the
13 criminal offense, clarify the criminal offense, and make stylistic changes:

14 26-57-240. Counterfeiting of stamps unlawful – Penalty.

15 ~~Any~~ Upon conviction, a person is guilty of a Class D felony if the
16 person: who falsely

17 (1) Falsely and fraudulently makes, forges, or counterfeits any
18 stamps prescribed for use in the administration of this subchapter; ~~or who~~
19 ~~knowingly and willfully~~

20 (2) Knowingly has in his or her possession any false, altered,
21 forged, previously used, or counterfeit stamps prescribed for use in the
22 administration of this subchapter; ~~or who knowingly or willfully~~

23 (3) Knowingly utters, publishes, passes, or tenders as true any
24 false, altered, forged, previously used, or counterfeit stamps prescribed for
25 ~~such use in the administration of this subchapter is guilty of a felony and~~
26 ~~upon conviction shall be punished as is provided by § 5-1-106(e).~~

27
28 SECTION 75. Arkansas Code § 26-57-245(1) is amended to read as follows
29 to add clarifying language:

30 (1) Class C felony if the tax value of the total amount of
31 tobacco products is equal to or exceeds one hundred dollars (\$100); or
32

33 SECTION 76. Arkansas Code § 26-57-256(a)(5)(A) is amended to read as
34 follows to correct a reference due to amendments to be made in another act of
35 this session to title 5 and make a stylistic change:

36 (5)(A) Conduct public hearings when appropriate regarding any

1 permit and license authorized by this subchapter or in violation of this
 2 subchapter, the Unfair Cigarette Sales Act, § 4-75-701 et seq., § ~~5-27-227~~ 5-
 3 27-701 et seq., or any other federal, state, or local statute, ordinance,
 4 rule, or regulation concerning the sale of tobacco products to minors or the
 5 rules ~~and regulations~~ promulgated by the board.

6
 7 SECTION 77. Arkansas Code § 26-57-257(aa) is amended to read as
 8 follows to correct a reference due to amendments to be made in another act of
 9 this session to title 5:

10 (aa) If any person, business, or corporation has been prosecuted for a
 11 single specific violation of § ~~5-27-227(a)~~ 5-27-702(a) or § ~~5-27-227(b)~~ 5-27-
 12 702(b), the person, business, or corporation shall not be assessed a civil
 13 penalty under this section based on the same facts or specific incident upon
 14 which the prosecution under § ~~5-27-227(a)~~ 5-27-702(a) or § ~~5-27-227(b)~~ 5-27-
 15 702(b) was based.

16
 17 SECTION 78. The introductory language of Arkansas Code § 26-57-257(r)
 18 is amended to read as follows to correct a reference due to amendments to be
 19 made in another act of this session to title 5:

20 (r) The board may assess penalties for violation of § ~~5-27-227(a)~~ 5-
 21 27-702(a) according to the following schedule:

22
 23 SECTION 79. Arkansas Code § 26-57-257(s)(1) is amended to read as
 24 follows to correct a reference due to amendments to be made in another act of
 25 this session to title 5:

26 (s)(1) A notice of an alleged violation of § ~~5-27-227~~ 5-27-701 et seq.
 27 shall be given to the holder of a retail permit or license within ten (10)
 28 days of the alleged violation.

29
 30 SECTION 80. Arkansas Code § 26-57-257(u) is amended to read as follows
 31 to correct a reference due to amendments to be made in another act of this
 32 session to title 5 and make stylistic changes:

33 (u) Notwithstanding ~~the provisions of~~ subsection (r) of this section,
 34 ~~no~~ a penalty for a violation of § ~~5-27-227~~ 5-27-701 et seq. shall not be
 35 imposed upon a retailer or agent or employee of ~~such a~~ a retailer who can
 36 establish an affirmative defense that ~~prior to~~ before the date of the

1 violation the retailer or agent or employee of the retailer furnishing the
 2 tobacco in any form or cigarette papers reasonably relied upon proof of age
 3 ~~which~~ that identified the person receiving the tobacco in any form or
 4 cigarette papers as being eighteen (18) years of age or older.

5
 6 SECTION 81. Arkansas Code § 26-57-257(x) is amended to read as follows
 7 to correct a reference due to amendments to be made in another act of this
 8 session to title 5:

9 (x) An employee of a permit holder who violates § ~~5-27-227~~ 5-27-701 et
 10 seq. ~~shall be~~ is subject to a civil penalty not to exceed one hundred dollars
 11 (\$100) per violation.

12
 13 SECTION 82. Arkansas Code § 26-57-257(y)(1) is amended to read as
 14 follows to correct a reference due to amendments to be made in another act of
 15 this session to title 5:

16 (y)(1) In the case of a corporation or business with more than one (1)
 17 retail location, to determine the number of accumulated violations for
 18 purposes of the penalty schedule set forth in subsection (r) of this section,
 19 violations of § ~~5-27-227(a)~~ 5-27-702(a) by one (1) retail location shall not
 20 be accumulated against other retail locations of that same corporation or
 21 business.

22
 23 SECTION 83. Arkansas Code § 26-57-257(z) is amended to read as follows
 24 to correct a reference due to amendments to be made in another act of this
 25 session to title 5:

26 (z) If a penalty has been assessed ~~pursuant to~~ under this section
 27 against ~~any~~ a person, business, or corporation for a single specific
 28 violation of § ~~5-27-227(a)~~ 5-27-702(a) or § ~~5-27-227(b)~~ 5-27-702(b), the
 29 person, business, or corporation shall not be prosecuted under § ~~5-27-227(a)~~
 30 5-27-702(a) or § ~~5-27-227(b)~~ 5-27-702(b) for a violation based on the same
 31 facts or specific incident for which the penalty was assessed under this
 32 section.

33
 34 SECTION 84. Arkansas Code § 26-57-401 is amended to read as follows to
 35 correct obsolete language and clarify a reference:

36 26-57-401. Purposes.

1 The purposes of ~~this section and §§ 26-57-306 [repealed] and 26-57-402~~
 2 ~~—26-57-407~~ this subchapter are to permit, license, and regulate the
 3 operation of coin-operated amusement ~~games~~ devices and to fix a penalty for
 4 ~~the a violation of this section and §§ 26-57-306 [repealed] and 26-57-402—~~
 5 ~~26-57-407~~ this subchapter.

6
 7 SECTION 85. Arkansas Code § 26-57-407 is amended to read as follows to
 8 remove obsolete language and make stylistic changes:

9 26-57-407. Disposition of revenue collected.

10 (a) All revenue collected under this section and §§ ~~26-57-306~~
 11 ~~[repealed] and 26-57-401 – 26-57-407~~ 26-57-406 shall be deposited into the
 12 State Treasury.

13 (b) The first thirty thousand dollars (\$30,000) annually collected
 14 shall be placed to the credit of the Public School Fund, and all moneys over
 15 ~~said~~ thirty thousand dollars (\$30,000) annually collected shall be placed to
 16 the credit of the State Board of Health for rural health work.

17
 18 SECTION 86. Arkansas Code § 26-57-408(b) is amended to read as follows
 19 to remove obsolete language and make stylistic changes:

20 (b) It is further declared that the owners, operators, and lessors of
 21 ~~such machines~~ coin-operated amusement devices shall pay a fee for ~~this the~~
 22 privilege of owning, operating, or leasing coin-operated amusement devices in
 23 addition to the privilege tax required by ~~law~~ § 26-57-404 to be paid on
 24 amusement devices.

25
 26 SECTION 87. Arkansas Code § 26-57-414(b) is amended to read as follows
 27 to clarify references and make stylistic changes:

28 (b)(1) ~~Any~~ A coin-operated amusement device so-operated owned,
 29 operated, or leased without first obtaining the license prescribed in § 26-
 30 57-412 shall be seized by an authorized agent of the Revenue Division of the
 31 Department of Finance and Administration and sold by the Director of the
 32 Department of Finance and Administration at public auction on an order of the
 33 Pulaski County Circuit Court.

34 (2) However, ~~such devices~~ a coin-operated amusement device
 35 seized under subdivision (b)(1) of this section may be redeemed ~~prior to~~
 36 before sale by ~~their the~~ the owner of the coin-operated amusement device upon the

1 payment of ~~any~~:

2 (A) All sales or use ~~tax~~ taxes due on ~~such the coin-~~
3 operated amusement ~~devices, device; the~~

4 (B) The sales tax on the receipt of ~~such the~~ wrongfully
5 operated ~~machine, coin-operated amusement device; all~~

6 (C) All costs and expenses incurred in connection with the
7 seizure and obtaining the order of ~~the~~ court~~;~~ and a

8 (D) A penalty of one thousand dollars (\$1,000).

9

10 SECTION 88. Arkansas Code § 26-57-416(b)(1) is amended to read as
11 follows to clarify references and make stylistic changes:

12 (b)(1) ~~It is the duty and obligation of the A licensee to shall~~
13 ascertain the amount of sales tax due on the receipts of the ~~machine~~
14 amusement device and ~~to~~ withhold the amount of ~~such the sales tax due~~ from
15 ~~such the~~ receipts and ~~to~~ remit the sales tax due to the Revenue Division of
16 the Department of Finance and Administration.

17

18 SECTION 89. Arkansas Code § 26-57-417(b)(2) is amended to read as
19 follows to clarify references and make stylistic changes:

20 (2) However, if the owner of the ~~machine~~ coin-operated amusement
21 device is a licensed operator under this subchapter, the owner may redeem the
22 ~~machine~~ coin-operated amusement device upon the payment of a ~~ten-dollar~~
23 penalty of ten dollars (\$10.00).

24

25 SECTION 90. Arkansas Code § 26-57-420(a)(1) is amended to read as
26 follows to correct obsolete language, clarify references, and make stylistic
27 changes:

28 (a)(1) Before a sale of any coin-operated amusement device is
29 concluded, the licensee or his or her salesperson shall notify the purchaser
30 that the operation of the coin-operated amusement device is subject to
31 taxation as ~~set forth in under §§ 26-57-301 et seq. [repealed] and 26-57-402~~
32 ~~—26-57-407~~ this subchapter.

33

34 SECTION 91. Arkansas Code § 26-57-611 is amended to read as follows to
35 remove obsolete language:

36 26-57-611. Disposition of nonallocated funds.

1 The Insurance Commissioner shall deposit all premium taxes collected
 2 under this subchapter ~~which~~ that are not allocated and appropriated for the
 3 various funds under the Workers' Compensation Law, § 11-9-101 et seq., for
 4 the Arkansas Fire and Police Pension Review Board and firemen's relief and
 5 pension funds under §§ 24-11-809, ~~24-11-810 [repealed], and 26-57-609~~
 6 ~~[repealed]~~, and for the Arkansas Fire and Police Pension Review Board and
 7 police officer's pension and relief funds under § 24-11-301 into the State
 8 Treasury as general revenues.

9
 10 SECTION 92. Arkansas Code § 26-57-615(b)(1) is amended to read as
 11 follows to remove obsolete language:

12 ~~(b)(1) Credits for fees paid in states of licensure other than~~
 13 ~~Arkansas in calendar year 1993 shall be allowed insurers domiciled in this~~
 14 ~~state pursuant to subsection (a) of this section against annual Arkansas~~
 15 ~~premium taxes reported and paid on March 1, 1994, and, in subsequent years,~~
 16 ~~such credits~~ Credits permitted in subsection (a) of this section shall be
 17 reported annually on March 1.

18
 19 SECTION 93. Arkansas Code § 26-57-804(e) is amended to read as follows
 20 to reflect the reconciliation by this act of the two versions of § 26-57-236:

21 (e) The Director of the Department of Finance and Administration shall
 22 not pay the commission authorized by § 26-57-236-~~(g)~~(f) with respect to the
 23 tax levied by this section.

24
 25 SECTION 94. Arkansas Code § 26-57-904(a)(2) is amended to read as
 26 follows to add clarifying language:

27 (2) Twenty-one cents (21¢) per gallon for each gallon of bottled
 28 soft drinks sold or offered for sale in the State of Arkansas; and

29
 30 SECTION 95. Arkansas Code § 26-57-1108(b) is repealed because it is
 31 obsolete.

32 ~~(b) The commission authorized by § 26-57-236(g) shall be at the rate~~
 33 ~~of three and eight tenths percent (3.8%) during any fiscal year for which the~~
 34 ~~General Assembly has appropriated at least eight hundred thousand dollars~~
 35 ~~(\$800,000) from general revenues to the Breast Cancer Research Fund and at~~
 36 ~~least three million two hundred thousand dollars (\$3,200,000) of general~~

1 ~~revenues to the Breast Cancer Control Fund and funded those appropriations in~~
 2 ~~Category A of the Revenue Stabilization Law for that fiscal year, otherwise~~
 3 ~~the commission shall be as prescribed in § 26-57-236(g).~~

4
 5 SECTION 96. Arkansas Code § 26-57-1206(b)(1) is amended to read as
 6 follows to add clarifying language, clarify references, and make stylistic
 7 changes:

8 ~~(1) The special vending device decal may be issued for any~~
 9 ~~number of thirty day periods, less than a full year, and the special decal~~
 10 ~~shall indicate on its face that it is a special decal, not an annual decal,~~
 11 ~~and the special decal shall be for one (1) or more thirty day periods, but~~
 12 ~~the special decal state on its face the precise dates for which it has been~~
 13 ~~issued and the special decal shall not be transferred from one (1) vending~~
 14 ~~device to another;~~

15 (1)(A) The special vending device decal may be issued for any
 16 number of thirty-day periods totaling less than a full year.

17 (B) The special vending device decal shall:

18 (i) State on its face that it is a special vending
 19 device decal, not an annual vending device decal;

20 (ii) Be for one (1) or more thirty-day periods;

21 (iii) State on its face the precise dates for which
 22 it has been issued; and

23 (iv) Not be transferred from one (1) vending device
 24 to another vending device;

25
 26
 27 SECTION 97. Arkansas Code § 26-57-1209(b) is amended to read as
 28 follows to remove superfluous language, add clarifying language, clarify
 29 references, and make stylistic changes:

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

1 ~~imprisonment in the county jail for a period not exceeding thirty (30) days,~~
 2 ~~or by both such fine and imprisonment, as provided by §§ 5-4-201 and 5-4-401,~~
 3 for each such vending device found not to be in compliance with the
 4 requirements of have a valid and current annual vending device decal or
 5 special vending device decal under this subchapter .

6
 7 SECTION 98. Arkansas Code § 26-57-1303(a)(3)(A) is amended to read as
 8 follows to add clarifying language:

9 (A) An electronic mail address and ~~facsimile~~ fax number to
 10 which notices from the Attorney General may be sent and a list of all of its
 11 brand families and the number of units sold for each brand family that were
 12 sold in the state during the preceding calendar year; and

13
 14 SECTION 99. Arkansas Code § 26-58-111(7)(B) is amended to read as
 15 follows to add clarifying language:

16 (B) On all other timber, twelve and one-half cents ~~(12½¢)~~
 17 (12.5¢) per ton of two thousand pounds (2,000 lbs.); and

18
 19 SECTION 100. Arkansas Code § 26-58-111(9) is amended to read as
 20 follows to add clarifying language:

21 (9) On salt water whose naturally dissolved components, or
 22 solutes, are used as source raw materials for bromine and other products
 23 derived from the same salt water used in the bromine production, two dollars
 24 and forty-five cents (\$2.45) per one thousand (1,000) barrels, forty-two
 25 thousand United States gallons (42,000 U.S. gallons); and

26
 27 SECTION 101. Arkansas Code § 26-58-114(e) is amended to read as
 28 follows to clarify criminal offenses, correctly classify criminal offenses,
 29 and make stylistic changes:

30 ~~(e)(1) Any producer or primary processor who shall fail to comply with~~
 31 ~~the provisions of this section shall be guilty of a misdemeanor and upon~~
 32 ~~conviction shall be fined not less than one hundred dollars (\$100) nor more~~
 33 ~~than five hundred dollars (\$500) for each such offense, and the willful false~~
 34 ~~swearing as to the contents of any such report shall constitute perjury and~~
 35 ~~shall be punishable as such. Upon conviction, a producer or primary processor~~
 36 who fails to comply with this section is guilty of a violation and shall be

1 fined not less than one hundred dollars (\$100) nor more than five hundred
 2 dollars (\$500) for each offense.

3 (2) Upon conviction, a person knowingly making a false material
 4 statement in a report required by this section is guilty of perjury under §
 5 5-53-102.

6
 7 SECTION 102. Arkansas Code § 26-58-116(c) and (d) are amended to read
 8 as follows to clarify criminal offenses, classify criminal offenses, and make
 9 stylistic changes:

10 (c)(1) The Unless the director has given advance written approval for
 11 the removal under subsection (a) of this section, the removal by the
 12 purchaser of natural resources to any point of concentration or assembly,
 13 either ~~within or without~~ inside or outside the state, without the severance
 14 tax having been previously paid by the producer or ~~such the~~ purchaser, ~~unless~~
 15 ~~the director shall have given advance written approval therefor as aforesaid~~
 16 ~~shall be is deemed~~ a fraudulent concealment of the ~~whereabouts~~ location of
 17 ~~such the~~ natural resources with the intent to avoid the payment of ~~such the~~
 18 severance tax.

19 (2) ~~Each such~~ Unless the director has given advance written
 20 approval for the removal, the removal by the producer, purchaser, or primary
 21 processor of any timber to any point outside the state without the severance
 22 tax having been paid on the timber is unlawful.

23 (d)(1) Upon conviction, each removal described in subdivision (c)(1)
 24 of this section by the purchaser is a violation and any failure by the
 25 purchaser to file the monthly reports as provided in this section shall
 26 constitute a separate offense and shall subject the purchaser to punishable
 27 by a fine of ~~not less than~~ at least fifty dollars (\$50.00) ~~nor~~ and not more
 28 than five hundred dollars (\$500).

29 (2) Upon conviction, each removal described in subdivision
 30 (c)(2) of this section by the producer, purchaser, or primary processor is a
 31 violation punishable by a fine of at least fifty dollars (\$50.00) and not
 32 more than five hundred dollars (\$500).

33 (3) Upon conviction, each failure by a producer, purchaser, or
 34 primary processor to file a monthly report required by this section is a
 35 violation punishable by a fine of at least fifty dollars (\$50.00) and not
 36 more than five hundred dollars (\$500).

1 ~~(3) The willful false swearing as to the contents of any monthly~~
 2 ~~report shall constitute perjury and shall be punished as such~~ (4) Upon
 3 conviction, a person knowingly making a false material statement in a monthly
 4 report required by this section is guilty of perjury under § 5-53-102.

5 ~~(d)(1) The removal by the producer, purchaser, or primary processor of~~
 6 ~~any timber to any point outside the state without the severance tax having~~
 7 ~~been paid thereon, unless the director shall have given advance written~~
 8 ~~approval thereof, shall be unlawful.~~

9 ~~(2) Each failure of a producer, purchaser, or primary processor~~
 10 ~~to file a monthly report as required in this section shall be unlawful.~~

11 ~~(3) Each such removal or failure to file a monthly report shall~~
 12 ~~be a separate offense punishable by a fine of at least fifty dollars (\$50.00)~~
 13 ~~and not more than five hundred dollars (\$500).~~

14 ~~(4) Any willful false swearing regarding the contents of a~~
 15 ~~monthly report shall constitute perjury and shall be punishable as such.~~

16
 17 SECTION 103. Arkansas Code § 26-58-209(2) is amended to read as
 18 follows to add clarifying language:

19 (2) The actual cash outlay of the oil producer in purchasing
 20 stock in a business or corporation organized exclusively for the purpose of
 21 constructing and operating an approved underground salt water disposal
 22 system; and

23
 24 SECTION 104. Arkansas Code § 26-58-302(c)(1) is amended to read as
 25 follows to correct a reference:

26 (c)(1) Funds collected by the director under ~~the provisions of this~~
 27 ~~section shall be~~ are classified as cash fund receipts, and the full amount
 28 ~~thereof~~ of the funds shall be deposited into one (1) or more accounts in one
 29 (1) or more banks in this state, which account or accounts shall be
 30 designated "~~Oil and Brine Museum Funds~~ Arkansas Museum of Natural Resources
 31 Fund".

32
 33 SECTION 105. Arkansas Code § 26-58-303(c)(1) is amended to read as
 34 follows to correct a reference:

35 (c)(1) Funds collected by the director under ~~the provisions of this~~
 36 ~~section shall be~~ are classified as cash fund receipts, and the full amount

1 ~~thereof~~ of the funds shall be deposited into one (1) or more accounts in one
 2 (1) or more banks in this state, to be designated by the Department of
 3 Finance and Administration, which account or accounts shall be designated
 4 "~~Oil and Brine Museum~~ Arkansas Museum of Natural Resources Bond Redemption
 5 Fund," ".

6
 7 SECTION 106. Arkansas Code § 26-62-201(e) and (f) are amended to read
 8 as follows to remove obsolete language and make stylistic changes:

9 (e)(1) The Director of the Department of Finance and Administration ~~is~~
 10 ~~authorized to~~ may develop a procedure ~~such as one pursuant to~~ in which the
 11 type of alternative fuels or other type of fuel is noted on the certificate
 12 of title or certificate of registration of ~~such~~ an alternative fuels vehicle.

13 (2) It is the intention of this subsection to develop a system
 14 for the Director of the Department of Finance and Administration, ~~the~~
 15 ~~Alternative Fuels Commission abolished~~, and other officials of the State of
 16 Arkansas to know the precise number of vehicles ~~utilizing~~ using alternative
 17 fuels and other fuels licensed in this state, both in the aggregate and by
 18 the type of fuel propelling ~~such vehicle~~ the vehicles.

19 (f) Not later than ~~June 1, 1993, February 15, 1994, and the fifteenth~~
 20 ~~day of~~ February 15 each year ~~thereafter~~, the Director of the Department of
 21 Finance and Administration shall file a written report with the Director of
 22 State Highways and Transportation ~~and the Director of the Alternative Fuels~~
 23 ~~Commission abolished~~ setting forth the number of vehicles ~~utilizing~~ using
 24 alternative fuels and other types of fuels licensed in this state as of the
 25 end of the preceding calendar year, both in the aggregate and by each type of
 26 fuel, ~~and for the report due February 15, 1994, and the fifteenth day of~~
 27 ~~February for each year thereafter~~, the amount of tax revenue received by the
 28 State of Arkansas on the tax levied by this chapter. The Director of the
 29 Department of Finance and Administration shall also state the tax rate for
 30 the next twelve (12) months, ~~commencing~~ beginning as of the first day of
 31 April of ~~such~~ each year for each type of alternative fuel.

32
 33 SECTION 107. Arkansas Code § 26-62-210(d)(4)(B) is amended to read as
 34 follows to add clarifying language:

35 (B) At the end of each calendar quarter, the licensed
 36 interstate user or licensed IFTA carrier user may ~~make application~~ apply for

1 a refund with respect to the number of equivalent gallons of alternative
 2 fuels upon which the alternative fuels taxes have been paid during the
 3 calendar quarter for which ~~such~~ the licensed interstate user or licensed IFTA
 4 carrier user is entitled to a refund; and

5
 6 SECTION 108. Arkansas Code § 26-73-106(b) is amended to read as
 7 follows to add clarifying language:

8 (b) All taxes collected by the director under this subchapter shall be
 9 deposited into the State Treasury and credited to the Revenue Local Tax
 10 Revolving Fund and transmitted at least quarterly in each state fiscal year
 11 to the local government levying the tax.

12
 13 SECTION 109: Arkansas Code § 26-63-102(5)(B) and (C) are amended to
 14 read as follows to correct an inconsistency with § 26-52-103:

15 (B) "Lease" or "rental" does not include:

16 (i) A transfer of possession or control of tangible
 17 personal property under a security agreement or deferred payment plan that
 18 requires the transfer of title upon completion of the required payments;

19 (ii) A transfer of possession or control of tangible
 20 personal property under an agreement that requires the transfer of title upon
 21 completion of required payments and payment of an option price that does not
 22 exceed the greater of one hundred dollars (\$100) or one percent (1%) of the
 23 total required payments; or

24 (iii)(a) Providing tangible personal property along
 25 with an operator for a fixed or indeterminate period of time.

26 (b) A condition of this exclusion in this
 27 subdivision (5)(B)(iii) is that the operator is necessary for the equipment
 28 to perform as designed.

29 (c) For the purpose of this subdivision
 30 (5)(B)(iii), an operator must do more than maintain, inspect, or set up the
 31 tangible personal property; ~~or~~ .

32 ~~(iv)~~ (C) An "Lease" or "rental" includes an
 33 agreement covering a motor vehicle and trailer if the amount of consideration
 34 may be increased or decreased by reference to the amount realized upon the
 35 sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(2), as
 36 in effect on January 1, 2007.

1 ~~(C)~~ (D) This definition of "lease" or "rental" in this
 2 subdivision (5) shall:

3 (i) Be used for excise tax purposes under this chapter
 4 regardless of whether a transaction is characterized as a lease or rental
 5 under generally accepted accounting principles, the Internal Revenue Code, as
 6 in effect on January 1, 2007, the Uniform Commercial Code, § 4-1-101 et seq.,
 7 or another provision of federal, state, or local law;

8 (ii) Be applied only prospectively from January 1, 2008,
 9 and shall have no retroactive impact on existing leases or rentals; and

10 (iii) Impact neither any existing sale-leaseback exemption
 11 nor exclusion;

12
 13 SECTION 110. Arkansas Code § 26-73-112(c) is amended to read as
 14 follows to clarify references and make stylistic changes:

15 (c) ~~The proceeds of the A county, city of the first class, city of the~~
 16 ~~second class, or incorporated town shall use the proceeds of the tax herein~~
 17 ~~authorized by this section and §§ 26-73-110 and 26-73-111 only shall be used~~
 18 ~~only to provide the following public service and purpose by a county, a city~~
 19 ~~of the first or second class, or incorporated town: Public of public~~ mass
 20 transportation systems and facilities.

21
 22 SECTION 111. Arkansas Code § 26-73-113(a)(2) is amended to read as
 23 follows to clarify its application and clarify the phrase "and/or":

24 (2) The proceeds of a tax levied under this section may be used
 25 ~~to~~ for one (1) or more of the following:

26 (A) ~~Finance the operation, maintenance and/or rental~~
 27 ~~expense of capital improvements, or a solid waste management system or part~~
 28 ~~thereof as defined in § 8-6-203, or both~~ With respect to a capital
 29 improvement, solid waste management system as defined in § 8-6-203, part of a
 30 solid waste management system as defined in § 8-6-203, or any combination of
 31 a capital improvement, solid waste management system as defined in § 8-6-203,
 32 or part of a solid waste management system as defined in § 8-6-203, financing
 33 of one (1) or more of the following:

34 (i) Operation;

35 (ii) Maintenance; or

36 (iii) Rental expense;

1 (B) ~~Secure~~ Securing the repayment of bonds by the
 2 municipality or county issued under §§ 14-164-301 – 14-164-339; or

3 (C) ~~Acquire~~ Acquiring or constructing capital improvements
 4 of a public nature for no more than twenty-four (24) months; ~~or~~

5 ~~(D) Any or all of the above.~~

6
 7 SECTION 112. Arkansas Code § 26-73-113(c)(3) is amended to read as
 8 follows to clarify its application and clarify the phrase "and/or":

9 (3) ~~The provisions of this section shall~~ This section does not
 10 prohibit or affect the ability of a municipality or county from levying a
 11 sales and use tax under §§ 26-74-201 et seq., 26-74-301 et seq., 26-75-201 et
 12 seq., 26-75-301 et seq., and the Local Government Bond Act of 1985, § 14-164-
 13 301 et seq., and ~~use~~ using all or a portion of the proceeds ~~thereof to~~
 14 ~~operate, maintain and/or finance capital improvements of a public nature of~~ of
 15 the sales and use tax to do one (1) or more of the following with respect to
 16 a capital improvement of a public nature:

17 (A) Operate;

18 (B) Maintain; or

19 (C) Finance.

20
 21 SECTION 113. Arkansas Code § 26-73-205 is repealed because the
 22 procedure for appealing property assessments and requesting adjustments is
 23 governed by 26-27-301 et seq.:

24 ~~26-73-205. Correction of assessments by county court.~~

25 ~~(a) At the October term of county court, and during this term, any~~
 26 ~~person who may think himself or herself aggrieved by the assessment of his or~~
 27 ~~her property may appeal to the same court and have the assessment corrected.~~

28 ~~(b) Every appeal shall be in writing and shall state specifically the~~
 29 ~~ground of the appeal and the matter or thing complained of, and no other~~
 30 ~~matter shall be considered by the court than that set forth in the written~~
 31 ~~appeal.~~

32 ~~(c) The county court shall hear and determine all appeals in a summary~~
 33 ~~way upon evidence and shall correct and adjust the assessment lists~~
 34 ~~accordingly.~~

35
 36 SECTION 114. Arkansas Code § 26-75-204(d) is amended to read as

1 follows to correct a reference:

2 (d) The bonds shall be executed by the mayor of the city and attested
 3 by the clerk or recorder of the city, by their manual or facsimile
 4 signatures. Coupons attached to the bonds shall be executed by the facsimile
 5 signature of the mayor. In case any of the officers whose signatures appear
 6 on the bonds or coupons cease to be such officers before delivery of the
 7 bonds or coupons, their signatures shall nevertheless be valid and sufficient
 8 for all purposes. The bonds shall be sealed with the seal of the ~~county~~ city
 9 issuing the bonds.

10

11 SECTION 115. Arkansas Code § 26-75-210(d)(1) is amended to read as
 12 follows to remove obsolete language:

13 (d)(1)~~(A)~~ ~~Beginning on the effective date of this subdivision~~
 14 ~~(d)(1)(A) and ending on the effective date of subdivision (d)(1)(B) of this~~
 15 ~~section, the effective date of any affirmative vote by the governing body of~~
 16 ~~the city to abolish the tax under subsection (a) of this section shall be on~~
 17 ~~the first day of the calendar quarter after the expiration of thirty (30)~~
 18 ~~days from the date a written statement signed by the chief executive officer~~
 19 ~~of the city abolishing the tax is filed with the Director of the Department~~
 20 ~~of Finance and Administration certifying that the governing body of the city~~
 21 ~~has adopted an ordinance abolishing the tax.~~

22 (B)(i) ~~Except as provided in subdivision (d)(1)(A) of this~~
 23 ~~section, the The effective date of any affirmative vote by the governing body~~
 24 ~~of the city to abolish the tax under subsection (a) of this section shall be~~
 25 ~~on the first day of the calendar quarter after the expiration of ninety (90)~~
 26 ~~days from the date a written statement signed by the chief executive officer~~
 27 ~~of the city abolishing the tax is filed with the director certifying that the~~
 28 ~~governing body of the city has adopted an ordinance abolishing the tax.~~

29 (ii) ~~Subdivision (d)(1)(B)(i) of this section shall~~
 30 ~~be effective on the first day of the first calendar quarter following the~~
 31 ~~effective date of the Streamlined Sales and Use Tax Agreement, which becomes~~
 32 ~~effective when at least ten (10) states comprising at least twenty percent~~
 33 ~~(20%) of the total population as determined by the 2000 Federal Decennial~~
 34 ~~Census of all states imposing a state sales tax have petitioned for~~
 35 ~~membership and have been found to be in compliance with the requirements of~~
 36 ~~the Streamlined Sales and Use Tax Agreement.~~

1
2 SECTION 116. Arkansas Code § 26-75-310(g)(1) is amended to read as
3 follows to remove obsolete language:

4 ~~(g)(1)(A) Beginning on the effective date of this subdivision~~
5 ~~(g)(1)(A) and ending on the effective date of subdivision (g)(1)(B) of this~~
6 ~~section, the effective date of any affirmative vote by the governing body of~~
7 ~~the city to abolish the tax under subsection (b) of this section shall be on~~
8 ~~the first day of the calendar quarter after the expiration of thirty (30)~~
9 ~~days from the date a written statement signed by the chief executive officer~~
10 ~~of the city abolishing the tax is filed with the Director of the Department~~
11 ~~of Finance and Administration certifying that the governing body of the city~~
12 ~~has adopted an ordinance abolishing the tax.~~

13 ~~(B)(i) Except as provided in subdivision (g)(1)(A) of this~~
14 ~~section, the The effective date of any affirmative vote by the governing body~~
15 ~~of the city to abolish the tax under subsection (b) of this section shall be~~
16 ~~on the first day of the calendar quarter after the expiration of ninety (90)~~
17 ~~days from the date a written statement signed by the chief executive officer~~
18 ~~of the city abolishing the tax is filed with the ~~director~~ Director of the~~
19 ~~Department of Finance and Administration certifying that the governing body~~
20 ~~of the city has adopted an ordinance abolishing the tax.~~

21 ~~(ii) Subdivision (g)(1)(B)(i) of this section shall~~
22 ~~be effective on the first day of the first calendar quarter following the~~
23 ~~effective date of the Streamlined Sales and Use Tax Agreement, which becomes~~
24 ~~effective when at least ten (10) states comprising at least twenty percent~~
25 ~~(20%) of the total population as determined by the 2000 Federal Decennial~~
26 ~~Census of all states imposing a state sales tax have petitioned for~~
27 ~~membership and have been found to be in compliance with the requirements of~~
28 ~~the Streamlined Sales and Use Tax Agreement.~~

29
30 SECTION 117. Arkansas Code § 26-75-312 is amended to add a new
31 subsection to read as follows to add language inadvertently deleted from the
32 section:

33 (d)(1) Each vendor who is liable for one (1) or more city sales or use
34 taxes shall report a combined city sales tax and a combined city use tax on
35 the vendor's sales and use tax report.

36 (2)(A) The combined city sales tax is equal to the sum of all

1 sales taxes levied by a city under this subchapter or any other provision of
 2 the Arkansas Code.

3 (B) The combined city use tax is equal to the sum of all
 4 use taxes levied by a city under this subchapter or any other provision of
 5 the Arkansas Code.

6 (3) This subsection applies only to taxes collected by the
 7 Director of the Department of Finance and Administration.

8
 9 SECTION 118. Arkansas Code § 26-75-408(b) is amended to read as
 10 follows to clarify a reference:

11 (b) Any balance remaining in the ~~fund~~ special account described in
 12 subsection (a) of this section after the projects prescribed in the levying
 13 ordinance have been completed and paid for shall be used for maintenance and
 14 upkeep of municipal parks and recreational facilities.

15
 16 SECTION 119. Arkansas Code § 26-76-105(c) is amended to read as
 17 follows to correctly classify a criminal offense and clarify the criminal
 18 offense:

19 (c)(1) If ~~any~~ a county collector ~~shall fail~~ fails to make the report,
 20 the county collector shall be notified by the clerk of the county court and
 21 required to make the report, .

22 ~~(2) and for failure~~ Upon conviction, a county collector who
 23 fails to perform any of the duties required of the county collector under
 24 this act ~~shall be~~ is guilty of a ~~misdemeanor~~ violation and ~~upon conviction~~
 25 shall be fined in any sum not less than three hundred dollars (\$300) nor more
 26 than one thousand dollars (\$1,000).

27
 28 SECTION 120. Arkansas Code § 26-76-202(1)(B)(iii) is amended to read
 29 as follows to add clarifying language and make stylistic changes:

30 (iii) The exceptions in this subdivision (1) ~~shall~~
 31 ~~not be construed to~~ do not apply to what ~~is~~ are generally known as theaters
 32 comique or variety theaters; and

33
 34 SECTION 121. Arkansas Code § 26-76-204(b) is amended to read as
 35 follows to correctly classify a criminal offense and make stylistic changes:

36 (b) ~~Anyone violating any of the provisions of~~ Upon conviction, a person

1 ~~violating~~ this section ~~shall be deemed guilty of a misdemeanor~~ is guilty of a
 2 violation and, ~~upon conviction~~, shall be fined in any sum not less than one
 3 hundred dollars (\$100) nor more than three hundred dollars (\$300). Each day's
 4 violation ~~shall constitute~~ is a separate offense.

5
 6 SECTION 122. Arkansas Code § 26-76-204(c)(2) is amended to read as
 7 follows to clarify the culpable mental state of a criminal offense, correctly
 8 classify the criminal offense, and make stylistic changes:

9 (2) ~~If any~~ Upon conviction, a sheriff or constable ~~fails~~
 10 willfully who knowingly fails to perform any of the duties prescribed in this
 11 subsection, ~~he or she shall be deemed guilty of a misdemeanor~~ is guilty of a
 12 violation and ~~upon conviction~~ shall be punished by a fine not exceeding two
 13 hundred dollars (\$200).

14
 15 SECTION 123. Arkansas Code § 26-77-301 is repealed because it is
 16 obsolete:

17 ~~26-77-301. Vending machines.~~

18 ~~All municipal corporations may license and tax vending machines~~
 19 ~~regulated by §§ 26-57-302 [repealed], 26-57-307—26-57-310 [repealed], 26-~~
 20 ~~57-313 [repealed], and this section. However, the fee shall not exceed the~~
 21 ~~amount of tax imposed by these statutes.~~

22
 23 SECTION 124. Arkansas Code § 26-77-302 is amended to read as follows
 24 to remove obsolete language, clarify references, and make stylistic changes:

25 26-77-302. Amusement ~~games~~ devices and vendors.

26 (a) ~~All municipal corporations~~ A municipal corporation may license and
 27 tax amusement ~~games~~ devices defined in § 26-57-402 and vendors ~~described in~~
 28 ~~§§ 26-57-306 [repealed] and~~ of amusement devices defined in § 26-57-402.

29 (b) However, the fee for the license and tax shall not exceed the
 30 amount of tax imposed by ~~§§ 26-57-306 [repealed], 26-57-404, and 26-57-405.~~

31
 32 SECTION 125. Arkansas Code § 26-77-303 is amended to read as follows
 33 to remove obsolete language, clarify references, and make stylistic changes:

34 26-77-303. Coin-operated ~~amusements~~ amusement devices.

35 ~~No municipality may~~ A municipality may not levy a privilege tax on the
 36 basis of §§ 26-57-402 and 26-57-408 – 26-57-421, relating to coin-operated

1 ~~amusements~~ amusement devices. However, ~~nothing in~~ §§ 26-57-402 and 26-57-408
 2 - 26-57-421 shall be construed to do not prohibit municipalities a
 3 municipality from levying privilege taxes under other statutes of this state
 4 or under valid municipal ordinances on licensees under §§ 26-57-402 and 26-
 5 57-408 - 26-57-421, ~~under other statutes of this state, or under valid~~
 6 ~~municipal ordinances~~.

7
 8 SECTION 126. Arkansas Code § 26-78-103(a)(5) is amended to read as
 9 follows to clarify its application:

10 (5) Each levy by the county quorum court or by the governing
 11 body of the municipality shall be for collection during the calendar year
 12 next following the year in which the levy is made and, except in the case
 13 when bonds are issued as authorized, unless the levy is again made, the tax
 14 shall ~~drop~~ cease to be levied at the expiration of the calendar year for
 15 which collected and shall not again be collected until levied by the county
 16 quorum court by the time of adjournment of the regular annual session of the
 17 county quorum court or thereafter by the governing body of a municipality, as
 18 indicated.

19
 20 SECTION 127. Arkansas Code § 26-80-404 is amended to read as follows
 21 to remove obsolete language and clarify its application:

22 26-80-404. Calculation of compliance with the uniform rate of tax.

23 (a)~~(1)~~ ~~Within thirty (30) days of February 10, 2004, the Commissioner~~
 24 ~~of Education shall certify to each school district whether or not that school~~
 25 ~~district is currently in compliance with the uniform rate of tax.~~

26 ~~(2)(A) Compliance shall be determined by analyzing the millage rate~~
 27 ~~levied for maintenance and operation millage from the most recent school~~
 28 ~~election in which the ad valorem tax rate was voted upon.~~

29 ~~(B) If the millage rate is equal to or greater than twenty five~~
 30 ~~(25) mills, then the school district shall be deemed to be in compliance with~~
 31 ~~Arkansas Constitution, Amendment 74.~~

32 ~~(b)(1) Within thirty (30) days of February 10, 2004, the commissioner~~
 33 ~~shall certify to each quorum court whether or not the school districts in the~~
 34 ~~quorum court's jurisdiction are in compliance with the uniform rate of tax.~~

35 ~~(2) The calculation of compliance under this subsection shall be the~~
 36 ~~same as the calculation explicated in subdivision (a)(2) of this section.~~

1 ~~(e)~~ On or before October 1, ~~2004~~, and of each year thereafter, the
 2 Department of Education, in conjunction with the Assessment Coordination
 3 Department, shall monitor each school district's compliance with the uniform
 4 rate of tax.

5 (b)(1) The Department of Education and the Assessment Coordination
 6 Department shall determine compliance with the uniform rate of tax by
 7 analyzing the millage rate levied for maintenance and operation millage from
 8 the most recent school election in a school district in which the ad valorem
 9 tax rate was voted upon.

10 (2) If the millage rate levied for maintenance and operation
 11 millage is equal to or greater than twenty-five (25) mills, then the school
 12 district is in compliance with the uniform rate of tax and Arkansas
 13 Constitution, Amendment 74.

14
 15 SECTION 128. The enactment and adoption of this act shall not repeal,
 16 expressly or impliedly, the acts passed at the regular session of the 87th
 17 General Assembly. All such acts shall have full effect and, so far as those
 18 acts intentionally vary from or conflict with any provision contained in this
 19 act, those acts shall have the effect of subsequent acts and as amending or
 20 repealing the appropriate parts of the Arkansas Code of 1987.

21
 22 **APPROVED: 3/27/2009**