1   State of Arkansas

2   90th General Assembly

A Bill

3   Regular Session, 2015   SENATE BILL 230

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5   By: Senator Teague

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For An Act To Be Entitled

8   AN ACT TO AMEND ARKANSAS SALES AND USE TAX LAWS TO

9   CONFORM TO THE STREAMLINED SALES TAX AGREEMENT; TO

10 REQUIRE A WINERY TO COLLECT LOCAL TAXES ON DIRECT

11 SHIPMENTS OF WINE; AND FOR OTHER PURPOSES.

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Subtitle

15 AN ACT TO REQUIRE WINERIES TO COLLECT

16 LOCAL TAXES ON DIRECT SHIPMENTS OF WINE.

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

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21   SECTION 1. Arkansas Code § 3-5-1704(b)(1), concerning the payment of

22 taxes on direct shipments of wine, is amended to read as follows:

23   (b)(1)(A) A winery shall collect all sales taxes and excise taxes due

24 on a sale to an individual of this state as if the sale took place on the

25 premises of an Arkansas small farm winery, including without limitation taxes

26 under §§ 3-5-1605, 3-7-104, 3-7-201, and 3-7-111.

27   (B) A winery does not have to collect a local tax that would be

28 imposed by a municipality, town, or other political subdivision of the state.

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30   SECTION 2. EMERGENCY CLAUSE. It is found and determined by the

31 General Assembly of the State of Arkansas that the Streamlined Sales and Use

32 Tax Agreement requires that the tax base for local taxes be identical to

33 state taxes unless otherwise prohibited by law. Current Arkansas law creates

34 a different tax base for state sales tax as compared to local sales tax. If

35 Arkansas is determined to be out of compliance with the agreement, the state

36 could lose approximately ten million dollars annually in state and local

1 sales tax collections from businesses that have voluntarily registered to

2 report and pay tax under the agreement. Therefore, an emergency is declared

3 to exist, and this act being necessary for the preservation of the public

4 peace, health, and safety shall become effective on July 1, 2015.

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7   **APPROVED: 02/27/2015**

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