

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

As Engrossed: S2/9/21

# A Bill

HOUSE BILL 1033

5 By: Representative Jett  
6 By: Senator M. Johnson  
7

## For An Act To Be Entitled

9 AN ACT TO CLARIFY SALES TAX PROVISIONS RELATING TO  
10 DIGITAL MAGAZINES AND CAR WASHES; TO REMOVE  
11 EXTRANEOUS REFERENCES TO DIGITAL MAGAZINES IN THE  
12 SALES TAX LAWS; TO CLARIFY THE EXEMPTION OF A CAR  
13 WASH OPERATOR'S SALE OF A CAR WASH; AND FOR OTHER  
14 PURPOSES.

## Subtitle

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18 TO REMOVE EXTRANEOUS REFERENCES TO  
19 DIGITAL MAGAZINES IN THE SALES TAX LAWS;  
20 AND TO CLARIFY THE EXEMPTION OF A CAR  
21 WASH OPERATOR'S SALE OF A CAR WASH.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 26-52-103(21), concerning the definitions  
27 used under the Arkansas Gross Receipts Act of 1941, is amended to read as  
28 follows:

29 (21) "Marketplace facilitator" means a person that facilitates  
30 the sale of tangible personal property, taxable services, a digital code, a  
31 ~~digital magazine~~, or specified digital products by:

32 (A) Listing or advertising tangible personal property,  
33 taxable services, a digital code, a ~~digital magazine~~, or specified digital  
34 products for sale in a forum; and

35 (B) Either directly or indirectly through an agreement or  
36 arrangement with a third party, collecting payment from a purchaser and



1 transmitting the payment to the person selling the tangible personal  
2 property, taxable services, a digital code, or specified digital products,  
3 regardless of whether the person receives compensation or other consideration  
4 in exchange for the person's services in collecting and transmitting the  
5 payment;

6  
7 SECTION 2. Arkansas Code § 26-52-401(41), concerning certain products  
8 and services that are exempt from sales tax under the Arkansas Gross Receipts  
9 Act of 1941, is amended to read as follows:

10 (41)(A) Gross receipts or gross proceeds derived from the sale  
11 of:

12 (i) Tangible personal property, specified digital  
13 products, or a digital code by or to a car wash operator for use in an  
14 automatic car wash, a car wash tunnel, or a self-service bay or as part of an  
15 ancillary service;

16 (ii) Services to a car wash operator; ~~and~~

17 (iii) Ancillary services by a car wash operator; and

18 (iv) A car wash by a car wash operator through an  
19 automatic car wash, car wash tunnel, or self-service bay.

20 (B) As used in this subdivision (41):

21 (i)(a) "Ancillary service" means a service provided  
22 by a car wash operator in conjunction with the sale of a service through an  
23 automatic car wash, a car wash tunnel, or a self-service bay that involves  
24 the cleaning of the interior or exterior, or both, of a motor vehicle.

25 (b) "Ancillary service" includes without  
26 limitation:

27 (1) Hand prepping any portion of a motor  
28 vehicle;

29 (2) Vacuuming;

30 (3) Hand drying any portion of a motor  
31 vehicle;

32 (4) Waxing any portion of a motor  
33 vehicle;

34 (5) Hand cleaning any portion of a motor  
35 vehicle; and

36 (6) Applying a protective or shine coat

1 to any portion of a motor vehicle;

2 (ii) "Automatic car wash" means the same as defined  
3 in § 26-57-1601;

4 (iii) "Car wash operator" means a person that  
5 operates one (1) or more automatic car washes, car wash tunnels, or self-  
6 service bays, ~~or~~ any combination of automatic car washes, car wash tunnels,  
7 or self-service bays;

8 (iv) "Car wash tunnel" means the same as defined in  
9 § 26-57-1601; and

10 (v) "Self-service bay" means ~~the same as defined in~~  
11 § 26-57-1601 a car wash bay that allows a person to manually wash a motor  
12 vehicle using equipment and supplies provided by the car wash operator.

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14 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective  
15 on the first day of the calendar quarter following the effective date of this  
16 act.

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18 /s/Jett

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21 **APPROVED: 2/24/21**  
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