1 **State of Arkansas**

2 **80th General Assembly** **A Bill** **ACT 1040 OF 1995**

3 **Regular Session, 1995** **SENATE BILL   522**

4 **By: Senator Fitch**

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7 ## For An Act To Be Entitled

8 "AN ACT TO EXEMPT CERTAIN SERVICES PERFORMED BY A

9 TEMPORARY OR LEASED EMPLOYEE OF A TAXPAYER FROM GROSS

10 RECEIPTS TAX; AND FOR OTHER PURPOSES."

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12 ## Subtitle

13 "TO EXEMPT CERTAIN SERVICES PERFORMED BY

14 A TEMPORARY OR LEASED EMPLOYEE OF A

15 TAXPAYER FROM GROSS RECEIPTS TAX."

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

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19 *SECTION 1. Arkansas Code §26-52-301(3)(C) is hereby amended by adding a*

20 *new subdivision to read as follows:*

21 *"(vii) The provisions of subdivision (3)(C)(i) of this section shall*

22 *not apply to the services performed by a temporary or leased employee or other*

23 *contract laborer on items owned or leased by the employer. The following*

24 *criteria must be met for a person to be a temporary or leased employee: (1)*

25 *There must be a written contract with the temporary employment agency,*

26 *employee leasing company or other contractor providing the services; and (2)*

27 *The employee, temporary employment agency, employee leasing company or other*

28 *contractor must not bear the risk of loss for damages caused during the*

29 *performance of the contract. The person for whom the services are performed*

30 *must bear the risk of loss; and (3) the temporary or leased employee or*

31 *contract laborer is controlled by the employer as if he were a full time*

32 *permanent employee. 'Control' includes, but is not limited to, scheduling*

33 *work hours, designating work duties and directing work performance."*

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35 SECTION 2. All provisions of this act of a general and permanent nature

36 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code

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1 Revision Commission shall incorporate the same in the Code.

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3   SECTION 3. If any provision of this act or the application thereof to

4 any person or circumstance is held invalid, such invalidity shall not affect

5 other provisions or applications of the act which can be given effect without

6 the invalid provision or application, and to this end the provisions of this

7 act are declared to be severable.

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9   SECTION 4. All laws and parts of laws in conflict with this act are

10 hereby repealed.

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13   */s/Fitch*

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15   APPROVED: 4-10-95

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