

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 1879 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: S3/31/05

A Bill

HOUSE BILL 2728

5 By: Representative D. Evans
6
7

For An Act To Be Entitled

9 AN ACT TO CLARIFY THE MEANING OF
10 "TELECOMMUNICATIONS" FOR THE PURPOSE OF THE GROSS
11 RECEIPTS TAX; TO PRESERVE CURRENT COLLECTIONS
12 FROM THE GROSS RECEIPTS TAX ON TELECOMMUNICATIONS
13 SERVICES; AND FOR OTHER PURPOSES.
14

Subtitle

15 AN ACT TO CLARIFY THE MEANING OF
16 "TELECOMMUNICATIONS" AND PRESERVE
17 CURRENT COLLECTIONS FROM THE GROSS
18 RECEIPTS TAX ON TELECOMMUNICATIONS
19 SERVICES.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 26-52-301(3)(A) [Effective until
26 contingency in Acts 2003, No. 1273, § 88 is met], concerning the tax on the
27 gross receipts or gross proceeds from telecommunication services, is amended
28 to add additional subdivisions to read as follows:

29 (viii) Telecommunications services subject to tax
30 include the one-way or two-way transmission of messages, voice messages,
31 images, or other real-time or essentially real-time communications whether
32 accomplished by any means including wire, cable, fiber optics, laser,
33 microwave, radio, satellite, voice-over Internet protocol, or similar
34 facilities.

35 (ix)(a) In addition to any other provision of this



1 section, taxable service shall include any taxable telephone,
2 telecommunications, or telegraph service charged to an Arkansas place of
3 primary use.

4 (b)(1) As used in subdivision (3)(A)(ix)(a) of
5 this section, "place of primary use" means the location of the
6 telecommunications equipment from which telecommunications services are
7 originated or at which telecommunications services are received by a buyer.

8 (2) If the location of the
9 telecommunications equipment in subdivision (3)(A)(ix)(b) of this section is
10 not a defined location, "place of primary use" means the location where a
11 buyer makes primary use of the telecommunications equipment as defined by
12 telephone number, authorization code, or location where bills are sent.

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14 SECTION 2. Arkansas Code § 26-52-315(b) [Effective when contingency in
15 Acts 2003, No. 1273, § 88 is met], concerning the tax on the gross receipts
16 or gross proceeds from telecommunication services, is amended to add an
17 additional subdivision to read as follows:

18 (4) Telecommunications services subject to tax include the one-
19 way or two-way transmission of messages, voice messages, images, or other
20 real-time or essentially real-time communications whether accomplished by any
21 means including wire, cable, fiber optics, laser, microwave, radio,
22 satellite, voice-over Internet protocol, or similar facilities.

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24 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
25 General Assembly of the State of Arkansas that changes in technology have
26 created confusion as to the taxability of various innovative and rapidly
27 growing telecommunications services and that such confusion threatens to
28 disrupt the flow of revenues that are critically needed by the state for the
29 support of schools, to address deficiencies in school facilities as
30 determined by the Supreme Court, to maintain prisons, and to ensure the
31 uninterrupted provisions of critical services to the public. Therefore, an
32 emergency is declared to exist and this act being immediately necessary for
33 the preservation of the public peace, health, and safety shall become
34 effective on:

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

36 (2) If the bill is neither approved nor vetoed by the Governor,

1 the expiration of the period of time during which the Governor may veto the
2 bill; or

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

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/s/ D. Evans

APPROVED: 04/08/2005

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