

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 180 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

A Bill

SENATE BILL 280

5 By: Senator Hill
6 By: Representative Maloch
7

For An Act To Be Entitled

10 AN ACT TO CHANGE THE EFFECTIVE DATE OF UNCODIFIED
11 § 88 OF ACT 1273 OF 2003, AS AMENDED BY ACT 2008
12 OF 2005; AND FOR OTHER PURPOSES.
13

Subtitle

14 TO CHANGE THE EFFECTIVE DATE OF
15 UNCODIFIED § 88 OF ACT 1273 OF 2003, AS
16 AMENDED BY ACT 2008 OF 2005.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Uncodified § 88 of Act 1273 of 2003, as amended by
23 uncodified § 1 of Act 2008 of 2005, is amended to read as follows:

24 SECTION 88. Effective date. It is found and determined by the Eighty-
25 fourth General Assembly that the Streamlined Sales and Use Tax Agreement is
26 necessary in order to stop the loss of sales tax revenue due to the rapid
27 growth of internet sales, to level the playing field between local businesses
28 and out-of-state businesses, and to negate the undue burden on interstate
29 commerce; and that this act is necessary in order for Arkansas to be in
30 compliance with the Streamlined Sales and Use Tax Agreement. Under the
31 Streamlined Sales and Use Tax Agreement, when at least ten (10) states
32 comprising at least twenty percent (20%) of the total population, as
33 determined by the 2000 Federal census, of all states imposing a state sales
34 tax have petitioned for membership and have been found to be in compliance
35 with the requirements of the agreement, the agreement will become effective



1 unless a specific effective date is otherwise given. ~~While these~~
 2 ~~contingencies have not been met, it is anticipated that they will be met on~~
 3 ~~July 1, 2005, which would result in the Streamlined Sales Tax Agreement~~
 4 ~~becoming effective on October 1, 2005.~~ These contingencies were met and the
 5 Streamlined Sales and Use Tax Agreement went into effect on October 1, 2005.
 6 Pursuant to the Streamlined Sales and Use Tax Agreement, a state may apply to
 7 become a party to the Streamlined Sales and Use Tax Agreement by submitting a
 8 petition for membership and certificate of compliance to the governing board.
 9 The governing board shall then determine if the petitioning state is in
 10 compliance with the Streamlined Sales and Use Tax Agreement. A state is in
 11 compliance with the Streamlined Sales and Use Tax Agreement if the effect of
 12 the state's laws, rules, regulations, and policies is substantially in
 13 compliance with the requirements in the Streamlined Sales and Use Tax
 14 Agreement. The petitioning state's proposed date of entry to the Streamlined
 15 Sales and Use Tax Agreement shall be on the first day of a calendar quarter.
 16 It is anticipated that Arkansas will become a full member of the Streamlined
 17 Sales and Use Tax Governing Board on January 1, 2008. In order to allow the
 18 Department of Finance and Administration and local businesses additional time
 19 to prepare for the changes necessary as the result of this act, all of the
 20 sections in this act will become effective on ~~July 1, 2007~~ January 1, 2008.
 21 Thus, any section of this act with a specific effective date shall have an
 22 effective date of ~~July 1, 2007~~ January 1, 2008, and not the specific
 23 effective date provided in the introductory language to the section, and when
 24 no effective date was listed in the section, then the effective date will
 25 also be ~~July 1, 2007~~ January 1, 2008.

26
 27 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 28 General Assembly of the State of Arkansas that this state is losing sales tax
 29 revenue due to the rapid growth of Internet sales; that several states have
 30 joined together and drafted a Streamlined Sales and Use Tax Agreement to
 31 simplify and modernize sales and use tax administration in order to
 32 substantially reduce the burden of tax compliance; that the previously
 33 enacted changes made to Arkansas law to bring it into compliance with the
 34 Streamlined Sales and Use Tax Agreement will go into effect on July 1, 2007;
 35 that it is anticipated that the remaining changes will go into effect on
 36 January 1, 2008; that the Department of Finance and Administration

1 anticipates becoming a full member of the Streamlined Sales and Use Tax
2 Governing Board on January 1, 2008; that educating businesses on the changes
3 to Arkansas law will be necessary; that the Director of the Department of
4 Finance and Administration will have to promulgate rules concerning the
5 changes to Arkansas law as directed by the General Assembly; that in order to
6 allow the Department of Finance and Administration and local businesses
7 additional time to prepare for the changes necessary as the result of the
8 changes to Arkansas law, an extension of the effective date is needed; and
9 that this act must go into effect before the contingent provisions become
10 effective on July 1, 2007. Therefore, an emergency is declared to exist and
11 this act being necessary for the preservation of the public peace, health,
12 and safety shall become effective on June 30, 2007.

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14 **APPROVED: 3/1/2007**
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