

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 860 of the Regular Session

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

As Engrossed: S3/21/07

A Bill

SENATE BILL 792

4
5 By: Senator Hill
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8 **For An Act To Be Entitled**

9 AN ACT TO AMEND THE SALES AND USE TAX LAW IN
10 ORDER TO PROVIDE CONSISTENCY WITH THE STREAMLINED
11 SALES AND USE TAX AGREEMENT; AND FOR OTHER
12 PURPOSES.
13

14 **Subtitle**

15 TO AMEND THE SALES AND USE TAX LAW TO
16 PROVIDE CONSISTENCY WITH THE STREAMLINED
17 SALES AND USE TAX AGREEMENT.
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19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 *SECTION 1. Arkansas Code § 26-52-521 [Effective January 1, 2008.],*
23 *concerning the sourcing of sales, is amended to add an additional subsection*
24 *to read as follows:*

25 *"(i) The Director of the Department of Finance and Administration*
26 *shall have the authority to delay the implementation of the destination*
27 *sourcing rules in this section until July 1, 2009, as those sourcing rules*
28 *relate to florists if the director determines that:*

29 *(1) The Streamlined Sales Tax Governing Board has changed or*
30 *postponed the destination sourcing requirement for florists; and*

31 *(2) The director determines that such delay is necessary to*
32 *prevent undue hardship for Arkansas florists.*
33

34 *SECTION 2. Arkansas Code § 26-52-315(b) [Effective January 1, 2008],*
35 *concerning telecommunications services as amended by Act 181 of 2007, is*



1 amended to read as follows:

2 (b) The following services shall not be taxable under this section:

3 (1) Any interstate or international private communications
4 service;

5 (2) Any interstate or international 800 service or 900 service;
6 or

7 (3)(A) Any prepaid calling service or prepaid wireless calling
8 service.

9 (B) However, prepaid calling service ~~is~~ and prepaid
10 wireless calling service are taxed under § 26-52-314.

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12 SECTION 3. Arkansas Code § 26-52-401(3), concerning the exemption for
13 non-profit schools as amended by Act 181 of 2007, is amended to read as
14 follows:

15 (3) Gross receipts or gross proceeds derived from the sale of food or
16 food ingredients or prepared food in public, common, high school, or college
17 cafeterias and lunch rooms operated primarily for teachers and pupils, not
18 operated primarily for the public and not operated for profit;

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20 SECTION 4. Arkansas Code § 26-52-431, concerning timber harvesting
21 equipment, is amended to add a new subsection as follows:

22 26-52-431. Timber harvesting equipment.

23 (e)(1) The exemption provided by this section may be administered as a
24 rebate.

25 (2) The Director of the Department of Finance and Administration
26 is authorized to promulgate rules to administer this exemption in the form of
27 a rebate.

28

29 SECTION 5. Arkansas Code § 26-52-433(b)(1) and (2) [Effective January
30 1, 2008], concerning sales tax exemptions for disposable medical supplies and
31 durable medical equipment as amended by Act 181 of 2007, are amended to read
32 as follows:

33 (b) As used in this section:

34 (1) "Disposable medical supplies" includes without limitation
35 the following:

36 (A) Ostomy, urostomy, and colostomy supplies;

1 ~~(B)~~ ~~Catheters;~~
 2 ~~(C)~~(B) Enemas, suppositories, and laxatives used in
 3 routine bowel care; and

4 ~~(D)~~(C) Disposable undergarments and linen savers;

5 (2)(A) "Durable medical equipment" means equipment, including
 6 repair and replacement parts for the equipment that:

- 7 (i) Can withstand repeated use;
- 8 (ii) Is primarily and customarily used to serve a
 9 medical purpose;
- 10 (iii) Generally is not useful to a person in the
 11 absence of illness or injury; ~~and~~
- 12 (iv) Is not worn in or on the body; and
- 13 (v) Is for home use.

14 (B) "Durable medical equipment" does not include mobility-
 15 enhancing equipment;

16

17 SECTION 6. Arkansas Code § 26-53-141(b)(1) and (2) [Effective January
 18 1, 2008], concerning exemptions for disposable medical supplies and durable
 19 medical equipment as amended by Act 181 of 2007, are amended to read as
 20 follows:

21 (b) As used in this section:

22 (1) "Disposable medical supplies" includes without limitation
 23 the following:

24 (A) Ostomy, urostomy, and colostomy supplies;
 25 ~~(B)~~ ~~Catheters;~~
 26 ~~(C)~~(B) Enemas, suppositories, and laxatives used in
 27 routine bowel care; and

28 ~~(D)~~(C) Disposable undergarments and linen savers;

29 (2)(A) "Durable medical equipment" means equipment including
 30 repair and replacement parts for the equipment that:

- 31 (i) Can withstand repeated use;
- 32 (ii) Is primarily and customarily used to serve a medical
 33 purpose;
- 34 (iii) Generally is not useful to a person in the absence
 35 of illness or injury; ~~and~~
- 36 (iv) Is not worn in or on the body; and

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(v) Is for home use.

(B) "Durable medical equipment" does not include mobility-enhancing equipment;

SECTION 7. Sections 1 - 6 of this act will become effective on January 1, 2008.

/s/ Hill

APPROVED: 4/3/2007