

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.

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

A Bill

HOUSE BILL 2283

4
5 By: Representative Reynolds
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For An Act To Be Entitled

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9 AN ACT TO CLARIFY ARKANSAS CODE §§ 14-20-112(a),
10 26-75-602(c)(2), AND 26-75-701(a) TO APPLY TO
11 HOTELS, MOTELS, RESTAURANTS, OR SIMILAR
12 ESTABLISHMENTS; AND FOR OTHER PURPOSES.
13

Subtitle

14
15 TO CLARIFY ARKANSAS CODE §§ 14-20-112
16 (a), 26-75-602(c)(2), AND 26-75-701(a)
17 TO APPLY TO HOTELS, MOTELS, RESTAURANTS,
18 OR SIMILAR ESTABLISHMENTS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 14-20-112(a) concerning rate of sales tax
24 for hotels, motels and restaurants is amended to read as follows:

25 (a)(1)(A)(i) Any county in which there is located a municipality that
26 levies a gross receipts tax on hotels, motels, ~~and~~ restaurants, or similar
27 establishments as authorized in §§ 26-75-601 ~~—26-75-613 et seq.~~ may levy by
28 ordinance of the county quorum court a like tax at the same rate as the
29 levying municipality or at a lesser rate upon the gross receipts from
30 furnishing of hotel and or motel accommodations and upon the gross receipts
31 of restaurants ~~and or~~ similar establishments located within the county
32 outside the boundaries of the levying municipality.

33 (ii) The tax levied under this subdivision (a)(1)(A)
34 shall apply ~~only~~ to hotels, motels, restaurants, or similar establishments
35 located within unincorporated areas of the county.

36 (B) Any county in which there is located a municipality



1 that levies a gross receipts tax on hotels, motels, ~~and~~ restaurants, or
 2 similar establishments as authorized in § 26-75-701 et seq. may levy by
 3 ordinance of the county quorum court a like tax at the same rate as the
 4 levying municipality or at a lesser rate upon the furnishing of hotel ~~and~~ or
 5 motel accommodations, the admission price to tourist attractions as defined
 6 in § 26-52-1001, the gross receipts of gift shops referred to in § 26-75-701,
 7 restaurants, ~~and~~ or similar establishments located within any township in the
 8 county outside the boundaries of the levying municipality.

9
 10 SECTION 2. Arkansas Code § 26-75-602(c)(2), concerning the authority
 11 of cities to levy a gross receipts tax is amended to read as follows:

12 (c) The tax authorized in this subchapter shall be upon any one (1) or
 13 more of the following, as specified in the levying ordinance:

14 (1) The gross receipts or gross proceeds from renting, leasing,
 15 or otherwise furnishing hotel, motel, or short-term condominium rental
 16 accommodations for sleeping, meeting, or party room facilities for profit in
 17 such city or town, but such accommodations shall not include the rental or
 18 lease of such accommodations for periods of thirty (30) days or more; and

19 (2) The portion of the gross receipts or gross proceeds received
 20 by restaurants, cafes, cafeterias, delicatessens, drive-in restaurants,
 21 carry-out restaurants, concession stands, convenience stores, grocery store-
 22 restaurants, ~~and~~ or similar businesses as shall be defined in the levying
 23 ordinance from the sale of prepared food and beverages for on or off-premises
 24 consumption, but such tax shall not apply to such gross receipts or gross
 25 proceeds of organizations qualified under section 501(c)(3) of the federal
 26 Internal Revenue Code.

27
 28 SECTION 3. Arkansas Code § 26-75-701(a), concerning the authority of a
 29 city to levy tax, is amended to read as follows:

30 (a) Any city of the first class having a population of fewer than five
 31 thousand (5,000) inhabitants, a portion of which has been designated as a
 32 historic district and is included on the National Register of Historic
 33 Places, by ordinance of its governing body, may levy a tax not to exceed two
 34 percent (2%) upon the gross receipts or gross proceeds from any one (1) or
 35 more of the following:

36 (1) The renting, leasing, or otherwise furnishing of hotel or

1 motel accommodations for profit in the city;

2 (2) Restaurants, cafes, cafeterias, ~~and~~ or other business
3 establishments, as defined in the levying ordinance, engaged in the business
4 of selling prepared food for consumption on the premises in the city;

5 (3) Sales by gift shops, a majority of whose gross receipts or
6 gross proceeds are derived from the sale of items commonly referred to as
7 gifts or souvenirs available for sale to tourists, as defined in the levying
8 ordinance; and

9 (4) Admission price to tourist attractions, as defined in § 26-
10 52-1001.

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12 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General
13 Assembly of the State of Arkansas that tourist season is rapidly approaching
14 and cities and towns depend on the local tax revenue generated through local
15 hotels, motels, restaurants, or similar establishments; that the law as
16 currently written does not allow the local government the flexibility to
17 collect the tax in a manner that reflects local business establishments; and
18 that this act is necessary because it is imperative to the successful
19 operation of local government to capture the tax revenue from the approaching
20 tourist season. Therefore, an emergency is declared to exist and this act
21 being necessary for the preservation of the public peace, health, and safety
22 shall become effective on:

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

24 (2) If the bill is neither approved nor vetoed by the Governor,
25 the expiration of the period of time during which the Governor may veto the
26 bill; or

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

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