

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 87th General Assembly
3 Regular Session, 2009

A Bill

SENATE BILL 73

4
5 By: Senator Madison
6
7

For An Act To Be Entitled

8
9 AN ACT TO MAKE VARIOUS CORRECTIONS TO TITLE 26 OF
10 THE ARKANSAS CODE OF 1987 ANNOTATED; AND FOR
11 OTHER PURPOSES.
12

Subtitle

13
14 AN ACT TO MAKE VARIOUS CORRECTIONS TO
15 TITLE 26 OF THE ARKANSAS CODE OF 1987
16 ANNOTATED.
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code § 26-18-303(b)(11)(E) is amended to read as
22 follows to reflect the reconciliation by this act of the two versions of §
23 26-57-236:

24 (E) Commission for sale of stamps for cigarettes and the
25 collection of cigarette taxes, § 26-57-236(~~g~~), ~~as amended by Acts 1997, No.~~
26 ~~434~~(f);
27

28 SECTION 2. Arkansas Code § 26-26-407(c)(2) is amended to read as
29 follows to clarify references:

30 (2) The ~~assessor must~~ county assessor shall determine what the
31 typical use of vacant commercial land or residential land is by considering
32 the primary current use of adjacent lands.
33

34 SECTION 3. Arkansas Code § 26-26-407(f) is amended to read as follows
35 to remove obsolete language and make stylistic changes:

36 (f)(1) In devising and developing methods of assessing and levying the



1 ad valorem property tax on real property, the Assessment Coordination
 2 Department shall annually develop and publish valuation tables and other data
 3 ~~which~~ that shall be used by county assessors for assessing lands qualifying
 4 under ~~the provisions of~~ this subchapter.

5 (2)(A) ~~Effective for assessment years beginning January 1, 2008,~~
 6 ~~and every year thereafter,~~ Each year the Assessment Coordination Department
 7 shall update the valuation tables for assessing lands qualifying as
 8 agricultural land, pasture land, and timber land in time for counties to use
 9 the updated tables when they finish their countywide appraisals.

10 (B) ~~Beginning January 1, 2008, when~~ When there is a
 11 countywide reappraisal, a county shall assess agricultural land, pasture
 12 land, and timber land based upon the updated land values in the valuation
 13 tables issued for the assessment year.

14 (3)(A) ~~Effective for assessment years beginning January 1, 2008,~~
 15 ~~the~~ The Assessment Coordination Department by rule shall develop appropriate
 16 formulas reflecting the productivity valuation of the land based upon income
 17 capability attributable to agricultural land, pasture land, and timber land
 18 soils.

19 (B) ~~Beginning January 1, 2008, and every year thereafter,~~
 20 Each year the Assessment Coordination Department shall develop and calculate
 21 capitalization rates by using appropriate long-term federal security rates,
 22 risk rates, management rates, and other appropriate financial rates.

23 (C) However, the capitalization rate developed under
 24 subdivision (f)(3)(B) of this section shall not be less than eight percent
 25 (8%) nor more than twelve percent (12%).

26 (4) By October 15 of each year, the Assessment Coordination
 27 Department shall report to the Legislative Council any changes to any part of
 28 the formula used to determine the value of land or the capitalization rate.

29
 30 SECTION 4. Arkansas Code § 26-26-1118(a)(1) is amended to read as
 31 follows to correct and remove obsolete language:

32 (a)(1)(A) There is established a homestead property tax credit for
 33 each assessment year that reduces the amount of real property taxes assessed
 34 on the homestead of each property owner by ~~three hundred dollars (\$300)~~ three
 35 hundred fifty dollars (\$350).

36 (B) ~~Effective with the assessment year 2007 and~~

1 ~~thereafter, the amount of real property taxes assessed on the homestead of~~
2 ~~each property owner shall be reduced by three hundred fifty dollars (\$350).~~

3 (C) However, ~~no~~ an assessment shall not be reduced to less
4 than zero dollars (\$0.00).

5
6 SECTION 5. Arkansas Code § 26-37-301(a)(4) is amended to read as
7 follows to clarify references:

8 (4) If the notice by certified mail is returned undelivered for
9 any other reason, the Commissioner of State Lands shall send a second notice
10 to the owner or interested party at any additional address reasonably
11 identifiable through the examination of the real property records properly
12 filed and recorded in the office of the ~~circuit clerk in the county wherein~~
13 county recorder where the property is located as follows:

14 (A) The address shown on the deed to the owner;

15 (B) The address shown on the deed, mortgage, assignment,
16 or other filed and recorded document to the interested party; or

17 (C) Any other corrected or forwarding address on file with
18 the county ~~tax~~ collector or county ~~tax~~ assessor.

19
20 SECTION 6. Arkansas Code § 26-51-420 is amended to read as follows to
21 remove obsolete language and make stylistic changes:

22 26-51-420. Deductions – Education service cooperative contributions.

23 Education service cooperatives created ~~pursuant to~~ under The Education
24 Service Cooperative Act of 1985, § 6-13-1001 et seq., are ~~hereby~~ declared
25 instrumentalities and political subdivisions of the State of Arkansas, and
26 all contributions and donations made to them ~~calendar year 1992 and~~ in any
27 calendar year ~~shall be~~ are deductible from the Arkansas income tax levied by
28 § 26-51-201 et seq.

29
30 SECTION 7. Arkansas Code § 26-51-455(c) is amended to read as follows
31 to clarify references:

32 (c) The Department of Finance and Administration shall certify
33 quarterly to the Treasurer of State the amount contributed to the program
34 through this state income tax checkoff during the quarter as authorized by
35 this section, and the Treasurer of State shall deduct from the ~~Income Tax~~
36 ~~Withholding Fund the amount so certified;~~

1 (1) Individual Income Tax Withholding Fund the amount certified
 2 by the department as contributed to the program on individual income tax
 3 forms; and

4 (2) Corporate Income Tax Withholding Fund the amount certified
 5 by the department as contributed to the program on corporate income tax
 6 forms.

7
 8 SECTION 8. Arkansas Code § 26-51-1303(a) is amended to read as follows
 9 to clarify a reference:

10 (a) Every holder of a franchise to conduct dog racing or horse racing
 11 in this state making any single payment of racing winnings on a single
 12 wagering transaction of more than one thousand dollars (\$1,000), if the
 13 amount of the racing winnings is at least three hundred (300) times as large
 14 as the amount wagered, shall deduct and withhold an amount equal to seven
 15 percent (7%) from the racing winnings.

16
 17 SECTION 9. Arkansas Code § 26-51-1307(c)(3) is amended to read as
 18 follows to clarify a reference:

19 (3) The total amount of the racing winnings subject to
 20 withholding paid by the franchise holder to the recipient of the racing
 21 winnings;

22
 23 SECTION 10. Arkansas Code § 26-52-103(14)(C)(i) is amended to read as
 24 follows to remove an unnecessary limitation on an internal reference:

25 (i) Be used for sales and use tax purposes
 26 regardless of whether a transaction is characterized as a lease or rental
 27 under generally accepted accounting principles, the Internal Revenue Code of
 28 1986, as in effect on January 1, 2007, the Uniform Commercial Code, § 4-1-101
 29 et seq., ~~as in effect on January 1, 2007, or another provision of federal,~~
 30 state, or local law;

31
 32 SECTION 11. Arkansas Code § 26-52-208 is repealed because it conflicts
 33 with § 26-52-209 and the Arkansas Tax Procedure Act, § 26-18-101 et seq., and
 34 its subject matter is controlled by § 26-52-209 and the Arkansas Tax
 35 Procedure Act, § 26-18-101 et seq.:

36 ~~26-52-208. Revocation or suspension — Renewal.~~

1 ~~(a) Whenever a holder of a permit fails to comply with any provision~~
 2 ~~of this chapter, the Director of the Department of Finance and Administration~~
 3 ~~shall give notice to the taxpayer of an intention to revoke the permit.~~

4 ~~(b)(1) Within ten (10) days after receipt of the notice of intention,~~
 5 ~~The taxpayer may apply to the director for a hearing in the same manner as~~
 6 ~~provided for in Acts 1941, No. 386, § 10 [repealed].~~

7 ~~(2) The hearing shall be conducted at a time and place to be~~
 8 ~~designated by the director, and the taxpayer shall be entitled to introduce~~
 9 ~~testimony and be represented by counsel, and the director shall determine at~~
 10 ~~the hearing whether the taxpayer's permit should be revoked.~~

11 ~~(3) In the event the taxpayer fails to apply for a hearing~~
 12 ~~within ten (10) days after receipt of the notice of intention, the director~~
 13 ~~may revoke such permit.~~

14 ~~(c)(1) The taxpayer shall be entitled within thirty (30) days from the~~
 15 ~~date of the order of the director revoking the permit to appeal to the~~
 16 ~~circuit court in the taxpayer's county where the action shall be tried de~~
 17 ~~novo.~~

18 ~~(2) An appeal shall lie from the circuit court to the Supreme~~
 19 ~~Court as in~~
 20 ~~other cases provided by law.~~

21 ~~(d) Any permit may be renewed upon the filing of proper returns and~~
 22 ~~the payment of all taxes due under this chapter or removal of any other cause~~
 23 ~~of revocation or suspension.~~

24
 25 SECTION 12. Arkansas Code § 26-52-303(c)(2) is amended to read as
 26 follows to classify a criminal offense:

27 (2) Any Upon conviction, a person filing a false statement or
 28 otherwise falsely obtaining or assisting ~~any other~~ another person to falsely
 29 obtain the benefits of the exemption authorized in this section ~~upon~~
 30 ~~conviction~~ is guilty of a violation and shall be fined in a sum of not less
 31 than one hundred dollars (\$100) nor more than five hundred dollars (\$500).
 32

33 SECTION 13. Arkansas Code § 26-52-304(b)-(c) are repealed to remove
 34 obsolete language:

35 ~~(b) It is found and determined by the General Assembly that~~
 36 ~~technological advances in the computer industry have created an uncertainty~~

1 as to whether sales of computer software constitute a transfer of tangible
 2 personal property.

3 ~~(c) This section is not intended to affect the taxability of any sales~~
 4 ~~of computer software prior to February 9, 1984.~~

5
 6 SECTION 14. Arkansas Code § 26-52-317(b) is amended to read as follows
 7 to remove duplicative definitions in light of § 26-52-103 which is the
 8 general definitions section for Title 26, Chapter 52, and applies to § 26-52-
 9 317:

10 (b) As used in this section:

11 ~~(1) "Alcoholic beverage" means a beverage that is suitable for~~
 12 ~~human consumption and contains five tenths of one percent (0.5%) or more of~~
 13 ~~alcohol by volume;~~

14 ~~(2) "Dietary supplement" means any product, other than tobacco,~~
 15 ~~intended to supplement the diet that:~~

16 ~~(A) Contains one (1) or more of the following dietary~~
 17 ~~ingredients:~~

18 ~~(i) A vitamin;~~

19 ~~(ii) A mineral;~~

20 ~~(iii) An herb or other botanical;~~

21 ~~(iv) An amino acid;~~

22 ~~(v) A dietary substance for use by humans to~~
 23 ~~supplement the diet by increasing the total dietary intake; or~~

24 ~~(vi) A concentrate, metabolite, constituent,~~
 25 ~~extract, or combination of any ingredient described in this subdivision~~

26 ~~(b)(2)(A), and is intended for ingestion in tablet, capsule, powder, softgel,~~
 27 ~~geleap, or liquid form, or if not intended for ingestion in such a form, is~~
 28 ~~not represented as conventional food and is not represented for use as a sole~~
 29 ~~item of a meal or of the diet; and~~

30 ~~(B) Is required to be labeled as a dietary supplement,~~
 31 ~~identifiable by the "Supplemental Facts" box found on the label and as~~
 32 ~~required pursuant to 21 C.F.R. § 101.36, as it existed on January 1, 2007;~~

33 ~~(3)(A)(1) "Food" and "food ingredients" mean substances, whether~~
 34 ~~in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are~~
 35 ~~sold for ingestion or chewing by humans and are consumed for their taste or~~
 36 ~~nutritional value.~~

1 ~~(B) "Food and food ingredients" does not include an~~
 2 ~~alcoholic beverage, tobacco, a dietary supplement, or prepared food; the same~~
 3 ~~as defined in § 26-52-103 except that "food" and "food ingredients" do not~~
 4 ~~include prepared food; and~~

5 ~~(4)(A)(2) "Prepared food" means+~~

6 ~~(i) Food sold in a heated state or heated by the~~
 7 ~~seller;~~

8 ~~(ii) Two (2) or more food ingredients mixed or~~
 9 ~~combined by the seller for sale as a single item; or~~

10 ~~(iii)(a) Food sold with an eating utensil provided~~
 11 ~~by the seller, including a plate, knife, fork, spoon, glass, cup, napkin, or~~
 12 ~~a straw.~~

13 ~~(b) As used in this subdivision~~

14 ~~(b)(4)(A)(iii), "plate" does not include a container or packaging used~~
 15 ~~to transport the food.~~

16 ~~(B) "Prepared food" the same as defined in § 26-52-103~~
 17 ~~except that "prepared food" does not include food that is only cut,~~
 18 ~~repackaged, or pasteurized by the seller, or eggs, fish, meat, poultry, and~~
 19 ~~foods containing these raw animal foods requiring cooking by the consumer to~~
 20 ~~prevent food-borne illnesses as recommended by Food and Drug Administration~~
 21 ~~in its 2005 Food Code, § 3-401.11, as it existed on January 1, 2007; and~~

22 ~~(5) "Tobacco" means cigarettes, cigars, chewing or pipe~~
 23 ~~tobacco, or any other item that contains tobacco.~~

24
 25 SECTION 15. Arkansas Code § 26-52-319 is amended to add a new
 26 subsection to read as follows to add general and permanent language from Acts
 27 2007, No. 185, § 3:

28 (g) All existing exemptions from the gross receipts tax levied by this
 29 chapter and the compensating use tax levied by the Arkansas Compensating Tax
 30 Act of 1949, § 26-53-101 et seq., for natural gas or electricity used in
 31 manufacturing or for other purposes that are otherwise provided by law shall
 32 continue in effect.

33
 34 SECTION 16. Arkansas Code § 26-52-401(22)(B)(iii) is amended to read
 35 as follows to correct obsolete language and clarify its application:

36 (iii) This subdivision (22) does not apply to

1 transactions involving used automobiles ~~provided for in~~ under § 26-52-510(b),
 2 used mobile homes, used manufactured homes, or used modular homes ~~provided~~
 3 ~~for in~~ under ~~§ 26-52-504 [repealed]~~ § 26-52-801 et seq., or used aircraft
 4 ~~provided for in~~ under § 26-52-505;

5
 6 SECTION 17. Arkansas Code § 26-52-402(a)(4) is repealed because it is
 7 obsolete and its subject matter is now controlled by the Motion Picture
 8 Incentive Act of 1997, § 15-4-2001 et seq.:

9 ~~(4) Gross receipts and gross proceeds derived from the rental or~~
 10 ~~lease of specialized equipment used in the filming of a motion picture which~~
 11 ~~qualifies for the tax incentives provided by the Motion Picture Incentive Act~~
 12 ~~of 1983, § 26-4-201 et seq. [expired].~~

13
 14 SECTION 18. Arkansas Code § 26-52-403(b) is amended to read as follows
 15 to clarify its applicability:

16 (b) The gross receipts or gross proceeds derived from the sale of new
 17 and used farm equipment and machinery ~~shall not be subject to~~ are exempt from
 18 the Arkansas gross receipts tax levied by ~~§ 26-52-301(1), (2), (3)(A),~~
 19 ~~(3)(B)(i)-(iii), (4), and (5) but shall be exempt from those levies~~ this
 20 chapter.

21
 22 SECTION 19. Arkansas Code § 26-52-416 is amended to read as follows to
 23 clarify its applicability, correct obsolete language, remove obsolete
 24 language, and make stylistic changes:

25 26-52-416. Electricity sold to low income households.

26 (a) The gross receipts or gross proceeds derived from the sale of the
 27 first five hundred kilowatt hours of electricity per month and the total
 28 franchise taxes billed to each residential customer whose household income is
 29 no more than twelve thousand dollars (\$12,000) per year ~~shall be~~ are exempt
 30 from the Arkansas gross receipts tax levied ~~pursuant to~~ § 26-52-301(1), (2),
 31 ~~(3)(A), (B)(i)-(iii), (4), (5), by this chapter~~ and all other state excise
 32 taxes ~~which that~~ that would otherwise be levied ~~thereon~~ on the gross receipts or
 33 gross proceeds derived from the sale and the total franchise taxes.

34 (b) As used in this section, ~~"income" and "household income" mean the~~
 35 ~~same as ascribed to them in~~ § 26-51-602 [repealed].:

36 (1) "Household income" means the combined income received by

1 members of a household during a calendar year; and

2 (2)(A) "Income" means gross income as defined in the Income Tax
 3 Act of 1929, § 26-51-101 et seq., less deductions allowed under § 26-51-423.

4 (B) "Income" includes:

5 (i) Alimony;

6 (ii) Support money;

7 (iii) Cash public assistance and relief;

8 (iv) The gross amount of any pension or annuity,
 9 including all monetary retirement benefits from whatever source derived,
 10 including without limitation railroad retirement benefits, all payments
 11 received under the federal Social Security Act, and veterans' disability
 12 pensions;

13 (v) All dividends and interest from whatever source
 14 derived not included in gross income;

15 (vi) Workers' compensation benefits; and

16 (vii) The gross amount of "loss of time insurance".

17 (C) "Income" does not include:

18 (i) Gifts from nongovernmental sources;

19 (ii) Surplus food;

20 (iii) In-kind relief supplied by a governmental
 21 agency; or

22 (iv) For a World War I veteran of the United States
 23 armed forces or the widow of a World War I veteran of the United States armed
 24 forces, federal or state retirement benefits, pension benefits, disability
 25 benefits, railroad retirement benefits, or social security benefits.

26 (c) The exemption ~~provided by in~~ this section ~~shall apply~~ applies to
 27 sales by all electric utilities operating in this state, whether investor-
 28 owned utilities, electric cooperative corporations created or existing under
 29 ~~the authority of~~ § 23-18-301 et seq., or municipally owned electric
 30 utilities.

31 (d) ~~Persons~~ On forms provided by the Director of the Department of
 32 Finance and Administration, a residential customer qualifying for the
 33 exemption ~~provided by in~~ this section shall notify, ~~on forms provided by the~~
 34 ~~Director of the Department of Finance and Administration,~~ the electric
 35 utility providing service to ~~them~~ the residential customer of the residential
 36 customer's intention to claim the ~~exemptions~~ exemption ~~provided~~ in this

1 section.

2 (e)(1) After a ~~person~~ residential customer has qualified for ~~this~~
3 ~~exemption~~ no the exemption in this section, an additional application ~~shall~~
4 ~~be~~ is not required.

5 (2) When a ~~person~~ residential customer who has qualified for
6 ~~this exemption~~ the exemption in this section has household income exceeding
7 the twelve-thousand-dollar limit, the ~~person~~ residential customer is
8 disqualified from the exemption in this section and ~~must~~ shall notify the
9 electric utility on forms provided by the director. The notice form ~~must~~
10 shall be mailed to the electric utility on or before March 1 of the year
11 following the year the household income exceeds twelve thousand dollars
12 (\$12,000).

13 ~~(2) The provisions of this subsection shall be in full force and~~
14 ~~effect for years beginning on or after December 31, 1990.~~

15 (f)(1) If a ~~person~~ residential customer does not notify the electric
16 utility as provided in subsection (e) of this section and continues to
17 receive ~~this exemption~~ the exemption in this section after his or her
18 household income exceeds ~~the qualification limit~~ twelve thousand dollars
19 (\$12,000), such person shall be the residential customer is liable for the
20 amount of the tax exemption received after ~~the time for notification~~ March 1
21 of the year following the year the household income exceeds twelve thousand
22 dollars (\$12,000).

23 (2) The electric utility ~~company~~ shall bill a residential
24 customer for the amount of tax due as a result of the residential customer's
25 disqualification under this section and remit the tax to the director.

26 ~~(2) The provisions of this subsection shall be in full force and~~
27 ~~effect for years beginning on or after December 31, 1990.~~

28
29 SECTION 20. Arkansas Code § 26-52-425(b) is amended to read as follows
30 to clarify its applicability and make stylistic changes:

31 ~~(b)(1)~~ (b) As used in this section:

32 (1) "Manufacturing" or "processing" means the same as set out in
33 § 26-52-402(b)~~;~~;

34 (2)(A) "Solid waste" means only solid waste as commonly
35 understood on April 10, 1995.

36 (B) "Solid waste" does not include solid wood chips or

1 other wood by-products; and

2 ~~(2)(A)~~ (3) “Substitute fuel” means products or materials ~~which~~
 3 that have been derived from tires, from municipal solid waste or other solid
 4 waste, from used motor oil, from used railroad ties, or from petroleum-based
 5 waste, for use in producing heat or power by burning.

6 ~~(B) Provided, however, that “solid waste” shall be strictly~~
 7 ~~construed to only include waste as commonly understood on the date of~~
 8 ~~enactment, excluding solid wood chips and other wood by-products.~~

9
 10 SECTION 21. Arkansas Code § 26-52-510(a) is amended to read as follows
 11 to correct duplicative language, clarify references, and make stylistic
 12 changes:

13 ~~(a)(1)(A)(i) The tax levied by this chapter and all other gross~~
 14 ~~receipts taxes levied by the state in respect to the sale of new or used~~
 15 ~~motor vehicles, trailers, or semitrailers required to be licensed in this~~
 16 ~~state shall be paid by the consumer to the Director of the Department of~~
 17 ~~Finance and Administration instead of being collected by the dealer or~~
 18 ~~seller. On or before the time for registration as prescribed by § 27-14-~~
 19 ~~903(a), a consumer shall pay to the Director of the Department of Finance and~~
 20 ~~Administration the tax levied by this chapter and all other gross receipts~~
 21 ~~taxes levied by the state with respect to the sale of a new or used motor~~
 22 ~~vehicle, trailer, or semitrailer required to be licensed in this state,~~
 23 ~~instead of the taxes being collected by the dealer or seller.~~

24 ~~(ii) It is the mandatory duty of the director to~~ (2)
 25 The director shall require the payment of the ~~tax~~ taxes at the time of
 26 registration before issuing ~~licenses for~~ a license for the new or used ~~motor~~
 27 ~~vehicles or trailers~~ motor vehicle, trailer, or semitrailer.

28 ~~(B)(i)(3)(A)~~ (3)(A) The ~~tax shall~~ taxes apply regardless of
 29 whether the motor vehicle, trailer, or semitrailer is sold by a vehicle
 30 dealer or an individual, corporation, or partnership not licensed as a
 31 vehicle dealer.

32 ~~(ii)(B)~~ (B) The exemption ~~provided for~~ in § 26-52-
 33 401(17) for isolated sales ~~shall~~ does not apply to the sale of ~~motor~~
 34 ~~vehicles, trailers, or semitrailers~~ a motor vehicle, trailer, or semitrailer.

35 ~~(2)(A) The tax levied by this chapter and all other gross~~
 36 ~~receipts taxes levied by the state in~~

1 ~~respect to the sale of new or used motor vehicles, trailers, or semitrailers~~
 2 ~~required to be licensed in this state shall be paid by the consumer on or~~
 3 ~~before the time for registration as prescribed by § 27-14-903(a).~~

4 ~~(B)(i)(4) -Failure~~ If the consumer fails to pay the tax
 5 taxes when due; shall result in an assessment of

6 (A) There is assessed a penalty equal to ten percent (10%)
 7 of the amount of tax taxes due; and

8 ~~(ii) -The(B)~~ Before the director issues a license
 9 for the motor vehicle, trailer, or semitrailer, the consumer shall pay to the
 10 director the penalty under subdivision (a)(4)(A) of this section and the
 11 taxes due must be paid to the director along with the tax before the vehicle
 12 license will be issued.

13
 14 SECTION 22. Arkansas Code § 26-52-510(e) is amended to read as follows
 15 to remove obsolete language and make stylistic changes:

16 ~~(e)(1) -No credit shall be~~ A credit is not allowed for sales or use
 17 taxes paid to another state with respect to the purchase of ~~motor vehicles,~~
 18 ~~trailers, or semitrailers which were~~ a motor vehicle, trailer, or semitrailer
 19 that was first registered by the purchaser in Arkansas.

20 ~~(2) -This subsection shall apply to all motor vehicles, trailers,~~
 21 ~~or semitrailers purchased on or after November 3, 1989.~~

22
 23 SECTION 23. Arkansas Code § 26-52-510(g)(2)(B) is amended to read as
 24 follows to clarify a reference:

25 (B) The director may require additional information to
 26 conclusively establish the true selling price of the new or used trailer or
 27 semitrailer.

28
 29 SECTION 24. Arkansas Code § 26-52-511(c) is amended to read as follows
 30 to clarify a reference:

31 (c) Each prepaid funeral contract shall state the following: "ALL
 32 SALES TAXES DUE PURSUANT TO UNDER THE ARKANSAS GROSS RECEIPTS ~~TAX~~ ACT OF 1941
 33 WHICH ARE NOT PAID IN FULL AS OF THE DATE OF THIS CONTRACT ARE DUE UPON THE
 34 DEATH OF THE INDIVIDUAL FOR WHOM THIS CONTRACT IS PURCHASED."

35
 36 SECTION 25. Arkansas Code § 26-52-514(a)(1) is amended to read as

1 follows to correct obsolete language:

2 (1) ~~House trailers or mobile homes under § 26-52-504 [repealed]~~
3 Manufactured homes, mobile homes, or modular homes under § 26-52-801 et seq.;
4

5 SECTION 26. Arkansas Code § 26-52-516(b)(1) is amended to read as
6 follows to clarify the applicability of a definition and make a stylistic
7 change:

8 (b)(1) ~~“Child care facility”~~ As used in this section, “child care
9 facility” means a child care facility licensed ~~pursuant to~~ under § 20-78-201
10 et seq. To qualify as a child care facility, the child care facility ~~must~~
11 shall provide an appropriate early childhood program as defined in § 6-45-
12 103.
13

14 SECTION 27. Arkansas Code § 26-52-914(b) is repealed because it is
15 obsolete:

16 ~~(b) The benefits of exemptions granted pursuant to this section shall~~
17 ~~become effective on July 1, 1991.~~
18

19 SECTION 28. Arkansas Code § 26-53-102(7) is amended to read as follows
20 to make it consistent with the definition of "person" in § 26-52-103 and the
21 Streamlined Sales Tax Agreement and remove obsolete language:

22 (7)~~(A)~~ “Person” means any individual, partnership, limited
23 liability company, limited liability partnership, ~~joint venture,~~ corporation,
24 estate, trust, fiduciary, or any other legal entity.

25 ~~(B) It is the purpose and intent of the General Assembly in~~
26 ~~passing this subdivision (7) to provide the same definition for the word~~
27 ~~“person” in this subchapter as that word is defined in the Arkansas Cross~~
28 ~~Receipts Act of 1941, § 26-52-101 et seq., and the exclusion of any wording~~
29 ~~formerly appearing in the definition of the word “person” in this subchapter~~
30 ~~shall by no means be construed by the courts or by administrative officials~~
31 ~~as an intention of the General Assembly to grant any additional exclusion or~~
32 ~~exemption from the provisions of this subchapter;~~
33

34 SECTION 29. Arkansas Code § 26-53-106(a) is amended to read as follows
35 to clarify its applicability and clarify a reference:

36 (a) There is levied and there shall be collected from every person in

1 this state a tax or excise for the privilege of storing, using, distributing,
 2 or consuming within this state any article of tangible personal property or
 3 taxable service purchased for storage, use, distribution, or consumption in
 4 this state at the rate of three percent (3%) of the sales price of the
 5 tangible personal property or taxable service except for food and food
 6 ingredients that are taxed under § 26-53-145.

7
 8 SECTION 30. Arkansas Code § 26-53-106(c) is amended to read as follows
 9 to clarify its applicability:

10 (c) This tax ~~shall apply~~ applies to use, storage, distribution, or
 11 consumption of every article of tangible personal property or taxable service
 12 except as provided in this subchapter irrespective of whether the article of
 13 tangible personal property or similar articles of tangible personal property
 14 or the taxable service ~~are~~ is manufactured within the State of Arkansas or
 15 ~~are~~ is available for purchase within the State of Arkansas and irrespective
 16 of any other condition.

17
 18 SECTION 31. Arkansas Code § 26-53-108 is amended to read as follows to
 19 clarify its applicability and make stylistic changes:

20 26-53-108. Imposition and rate of tax on certain personal property.

21 A(a) For the following public carriers, a state
 22 compensating tax ~~in the amount~~ of three percent (3%) of the gross purchase
 23 price is levied on the ~~following described~~ tangible personal property of:

24 (1) ~~Public Carriers.~~

25 ~~(A) Motor Carriers—Tangible personal property carriers,~~
 26 consisting of tractors, trailers, semitrailers, trucks, buses, and other
 27 rolling stock, including replacement tires, used directly in the
 28 transportation of persons or property in intrastate or interstate common
 29 carrier transportation;

30 ~~(B)(2) Railroads, —All tangible personal property except~~
 31 fuel consumed in the operation of railroad rolling stock;

32 ~~(C) (3) Pipelines, —Tangible personal property~~ consisting
 33 of transmission lines and pumping or pressure control equipment used directly
 34 in or connected to the primary pipeline facility engaged in intrastate or
 35 interstate common carrier transportation of property; and

36 ~~(D) (4) Airlines, —Tangible personal property~~ consisting

1 of airplanes and navigation instruments used directly in or becoming a part
 2 of flight aircraft engaged in transportation of persons or property in
 3 regular scheduled intrastate or interstate common carrier transportation+.

4 ~~(2) Public Telephone and Telegraph Companies.~~ Tangible (b) For
 5 public telephone and telegraph companies, a state compensating tax of three
 6 percent (3%) of the gross purchase price is levied on tangible personal
 7 property consisting of exchange equipment, lines, boards, and all accessory
 8 devices used directly in and connected to the primary facility engaged in
 9 transmission of messages+.

10 ~~(3) Public Utilities.~~ (c) For the following public utilities, a
 11 state compensating tax of three percent (3%) of the gross purchase price is
 12 levied on the tangible personal property of:

13 ~~(A)(1) Gas companies.~~ Tangible personal property consisting of
 14 transmission and distribution pipelines and pumping or pressure control
 15 equipment used in connection therewith with transmission and distribution
 16 pipelines which is that are used directly in the primary pipeline facility
 17 for the purpose of transporting and delivering natural gas;

18 ~~(B)(2) Water companies.~~ Tangible personal property consisting
 19 of transmission and distribution lines, pumping machinery and controls used
 20 in connection therewith with transmission and distribution lines, and
 21 cleaning or treating equipment of a primary water distribution system; and

22 ~~(C) Electric~~ (3) Public electric power companies. -
 23 ~~Tangible personal property of public electric power companies~~ consisting of
 24 all machinery and equipment, including reactor cores, and, related accessory
 25 devices used in the generation and production of electric power and energy+,
 26 and transmission facilities consisting of the lines, including poles, towers,
 27 and other supporting structures, transmitting electric power and energy with
 28 substations located on and attached to such the lines.

29
 30 SECTION 32. Arkansas Code § 26-53-109(b) is repealed to remove
 31 obsolete language:

32 ~~(b) It is found and determined by the General Assembly that~~
 33 ~~technological advances in the computer industry have created an uncertainty~~
 34 ~~as to whether sales of computer software constitute a transfer of tangible~~
 35 ~~personal property. This section is not intended to affect the taxability of~~
 36 ~~any sales of computer software prior to February 9, 1984.~~

1
2 SECTION 33. Arkansas Code § 26-53-115(c) and (d) are amended to read
3 as follows to remove obsolete language:

4 (c)~~(1)~~ The General Assembly determines that it was not the intent of
5 this subchapter to impose the compensating tax upon aircraft, aircraft
6 equipment, and railroad parts, cars, and equipment, or to any tangible
7 personal property owned or leased by aircraft, airmotive, or railroad
8 companies as provided in § 26-53-106 and as classified by this section.

9 ~~(2) Any claim that the State of Arkansas now has for collection~~
10 ~~of compensating taxes upon any such aircraft, aircraft equipment, and~~
11 ~~railroad parts, cars, and equipment, or to tangible personal property owned~~
12 ~~or leased by aircraft, airmotive, or railroad companies brought into the~~
13 ~~State of Arkansas solely and exclusively for refurbishing, conversion, or~~
14 ~~modification shall not be collected, whether the claim is pending in the~~
15 ~~Revenue Division of the Department of Finance and Administration or is~~
16 ~~pending and unpaid as a result of any court litigation or court decision of~~
17 ~~this state.~~

18 ~~(3) It is the intent of the General Assembly that the State of~~
19 ~~Arkansas should not pursue collection of any claim now pending or the~~
20 ~~execution of any court order with respect to any such claim for the~~
21 ~~collection of compensating taxes upon such property.~~

22 ~~(d) However, no person shall have a claim against the State of~~
23 ~~Arkansas for any compensating tax paid to the State of Arkansas on or before~~
24 ~~February 16, 1976, with respect to such tangible personal property.~~

25
26 SECTION 34. Arkansas Code § 26-53-126(a) is amended to read as follows
27 to correct grammatical errors, correct duplicative language, clarify
28 applicability, and make stylistic changes:

29 (a)(1)~~(A)(i)~~ ~~All new and used motor vehicles, trailers, or~~
30 ~~semitrailers~~ Upon being registered in this state, a new or used motor
31 vehicle, trailer, or semitrailer required to be licensed in this state ~~shall~~
32 ~~be is~~ subject ~~upon being registered in this state~~ to the tax levied in this
33 subchapter and all other use taxes levied by the state ~~irrespective~~
34 regardless of whether ~~such~~ the motor vehicle, trailer, or semitrailer was
35 purchased from a dealer or an individual.

36 ~~(ii) The tax shall be paid to the Director of the~~

1 ~~Department of Finance and Administration by the person making application to~~
 2 ~~register the motor vehicle, trailer, or semitrailer instead of being~~
 3 ~~collected by the dealer or individual seller.~~

4 (2)(A) On or before the time for registration as prescribed by §
 5 27-14-903(a), the person making application to register the motor vehicle,
 6 trailer, or semitrailer shall pay the taxes to the Director of the Department
 7 of Finance and Administration instead of the taxes being collected by the
 8 dealer or individual seller.

9 ~~(iii) It shall be the mandatory duty of the~~(B) The
 10 director to shall collect the tax taxes before issuing a license for any the
 11 motor vehicle, trailer, or semitrailer.

12 ~~(B)(3) The exemption provided for in § 26-52-401(17) for~~
 13 isolated sales shall does not apply to the sale of motor vehicles, trailers,
 14 and semitrailers a motor vehicle, trailer, or semitrailer.

15 ~~(2)(A) The tax levied in this subchapter and all other use~~
 16 taxes levied by the state shall be paid on or before the time for
 17 registration as prescribed by § 27-14-903(a).

18 ~~(B)(i) Failure~~(4) If the person making application to
 19 register the motor vehicle, trailer, or semitrailer fails to pay the tax
 20 taxes when due; shall result in an assessment of

21 (A) There is assessed a penalty equal to ten percent (10%)
 22 of the amount of tax due, taxes due; and

23 ~~(ii) The~~(B) Before the director issues a license
 24 for the motor vehicle, trailer, or semitrailer, the person making application
 25 to register the motor vehicle, trailer, or semitrailer shall pay to the
 26 director the penalty under subdivision (a)(4)(A) of this section and the
 27 taxes due must be paid to the director along with the tax before the vehicle
 28 license will be issued.

29
 30 SECTION 35. Arkansas Code § 26-53-126(f)(2)(B) is amended to read as
 31 follows to clarify its applicability and a reference:

32 (B) The director may require additional information to
 33 conclusively establish the true selling price of the new or used trailer or
 34 semitrailer.

35
 36 SECTION 36. Arkansas Code § 26-53-130 is repealed to remove obsolete

1 language:

2 ~~26-53-130. Exemption for aircraft and railroad equipment in state for~~
3 ~~refurbishing, etc.~~

4 ~~(a) The General Assembly determines that:~~

5 ~~(1) It was not the intent of this subchapter to impose the~~
6 ~~compensating use tax upon aircraft, aircraft equipment, and railroad parts,~~
7 ~~cars, and equipment, or on any tangible personal property owned or leased by~~
8 ~~aircraft, airmotive, or railroad companies, as provided in §§ 26-53-106 and~~
9 ~~26-53-115 and as classified by this section; and~~

10 ~~(2) Any claim that the State of Arkansas now has for collection~~
11 ~~of compensating use taxes upon any aircraft, aircraft equipment, and railroad~~
12 ~~parts, cars, and equipment, or on tangible personal property owned or leased~~
13 ~~by aircraft, airmotive, or railroad companies brought into the State of~~
14 ~~Arkansas solely and exclusively for refurbishing, conversion, or modification~~
15 ~~shall not be collected, whether the claim is pending in the Revenue Division~~
16 ~~of the Department of Finance and Administration or is pending and unpaid as a~~
17 ~~result of any court litigation or court decision of this state.~~

18 ~~(b) It is the intent of the General Assembly that the State of~~
19 ~~Arkansas should not pursue the collection of any claim now pending or the~~
20 ~~execution of any court order with respect to any claim for the collection of~~
21 ~~compensating use taxes upon such property.~~

22 ~~(c) No person shall have a claim against the State of Arkansas for any~~
23 ~~compensating use tax paid to the State of Arkansas on or before April 7,~~
24 ~~1987, with respect to this tangible personal property.~~

25

26 SECTION 37. Arkansas Code § 26-53-131(c)(2) is repealed to remove
27 obsolete language:

28 ~~(2) This subsection shall apply to all motor vehicles, trailers,~~
29 ~~or semitrailers purchased on or after November 3, 1989.~~

30

31 SECTION 38. Arkansas Code § 26-53-132(b)(1) is amended to read as
32 follows to clarify the applicability of a definition and make a stylistic
33 change:

34 (b)(1) ~~"Child care facility"~~ As used in this section, "child care
35 facility" means a child care facility licensed pursuant to under § 20-78-201
36 et seq. To qualify as a child care facility, the child care ~~must~~ shall

1 provide an appropriate early childhood program as defined in § 6-45-103.

2
3 SECTION 39. Arkansas Code § 26-53-145(b) is amended to read as follows
4 to remove duplicative definitions in light of § 26-53-102 which is the
5 general definitions section for Title 26, Chapter 53, Subchapter 1, and
6 applies to § 26-53-145:

7 (b) As used in this section:

8 ~~(1) "Alcoholic beverage" means a beverage that is suitable for~~
9 ~~human consumption and contains five tenths of one percent (0.5%) or more of~~
10 ~~alcohol by volume;~~

11 ~~(2) "Dietary supplement" means any product, other than tobacco,~~
12 ~~intended to supplement the diet that:~~

13 ~~(A) Contains one (1) or more of the following dietary~~
14 ~~ingredients:~~

15 ~~(i) A vitamin;~~

16 ~~(ii) A mineral;~~

17 ~~(iii) An herb or other botanical;~~

18 ~~(iv) An amino acid;~~

19 ~~(v) A dietary substance for use by humans to~~
20 ~~supplement the diet by increasing the total dietary intake; or~~

21 ~~(vi) A concentrate, metabolite, constituent,~~
22 ~~extract, or combination of any ingredient described in this subdivision~~
23 ~~(b)(2)(A), and is intended for ingestion in tablet, capsule, powder, softgel,~~
24 ~~geleap, or liquid form, or if not intended for ingestion in such a form, is~~
25 ~~not represented as conventional food and is not represented for use as a sole~~
26 ~~item of a meal or of the diet; and~~

27 ~~(B) Is required to be labeled as a dietary supplement,~~
28 ~~identifiable by the "Supplement Facts" box found on the label and as required~~
29 ~~pursuant to 21 C.F.R. § 101.36, as it existed on January 1, 2007;~~

30 ~~(3)(A) "Food and food ingredients" means substances, whether in~~
31 ~~liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold~~
32 ~~for ingestion or chewing by humans and are consumed for their taste or~~
33 ~~nutritional value.~~

34 ~~(B) "Food and food ingredients" does not include an~~
35 ~~alcoholic beverage, tobacco, a dietary supplement, or prepared food (1)~~

36 "Food" and "food ingredients" mean the same as defined in § 26-53-102 except

1 that "food" and "food ingredients" do not include prepared food; and

2 ~~(4)(A) (2) "Prepared food" means+~~

3 ~~(i) Food sold in a heated state or heated by the~~
 4 ~~seller;~~

5 ~~(ii) Two (2) or more food ingredients mixed or~~
 6 ~~combined by the seller for sale as a single item; or~~

7 ~~(iii)(a) Food sold with an eating utensil provided~~
 8 ~~by the seller, including a plate, knife, fork, spoon, glass, cup, napkin, or~~
 9 ~~straw.~~

10 ~~(b) As used in this subdivision (b)(4)(A)(iii), "plate" does not~~
 11 ~~include a container or packaging used to transport the food.~~

12 ~~(B) "Prepared food" the same as defined in § 26-53-102~~
 13 ~~except that "prepared food" does not include food that is only cut,~~
 14 ~~repackaged, or pasteurized by the seller, or eggs, fish, meat, poultry, and~~
 15 ~~foods containing these raw animal foods requiring cooking by the consumer to~~
 16 ~~prevent food-borne illnesses as recommended by the Food and Drug~~
 17 ~~Administration in its 2005 Food Code, § 3-401.11, as it existed on January 1,~~
 18 ~~2007; and~~

19 ~~(5) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco,~~
 20 ~~or any other item that contains tobacco.~~

21
 22 SECTION 40. Arkansas Code § 26-54-102(b)(3) is amended to read as
 23 follows to correct obsolete language:

24 (3) Organizations formed pursuant to the Uniform Partnership
 25 Act, § 4-42-101 et seq. [repealed], or the Uniform Limited Partnership Act, §
 26 4-44-101 et seq. [repealed] under or governed by the Uniform Partnership Act
 27 (1996), § 4-46-101 et seq., or the Uniform Limited Partnership Act (2001), §
 28 4-47-101 et seq.

29
 30 SECTION 41. Arkansas Code § 26-55-102(b) is amended to read as follows
 31 to remove obsolete language:

32 (b) At any time the adjoining city or town in Arkansas by ordinances
 33 may ~~provide~~ levy a privilege tax on the buses sufficient to reimburse ~~such~~
 34 the city or town for the use of its streets, ~~and that tax may be greater in~~
 35 ~~amount than authorized in Crawford and Moses' Digest, § 7444 [repealed].~~

1 SECTION 42. Arkansas Code § 26-55-213(b)(1) is amended to read as
 2 follows to classify a criminal offense, remove obsolete language, and make
 3 stylistic changes:

4 (b)(1) ~~Any~~ Upon conviction, a person who engages in business in the
 5 State of Arkansas as a distributor without being the holder of an uncanceled
 6 license to engage in the business ~~shall upon conviction be~~ is guilty of an
 7 unclassified misdemeanor and shall be punished by a fine of not less than one
 8 thousand dollars (\$1,000) nor more than ten thousand dollars (\$10,000) or
 9 imprisonment ~~in the county jail~~ for a term of not less than thirty (30) days
 10 and not more than one (1) year, or both ~~such~~ fine and imprisonment.

11
 12 SECTION 43. The introductory language of Arkansas Code § 26-55-214(a)
 13 is amended to read as follows to clarify a reference:

14 (a) To procure ~~such~~ a distributor's license, every distributor shall
 15 file with the Director of the Department of Finance and Administration an
 16 application upon oath and in ~~such form as the director may prescribe~~ a form
 17 prescribed by the director, setting forth:

18
 19 SECTION 44. Arkansas Code § 26-55-214(a)(2) is amended to read as
 20 follows to add clarifying language:

21 (2) The location, with street address, of its principal office
 22 or place of business within this state and all of its separate places of
 23 business within this state; and

24
 25 SECTION 45. Arkansas Code § 26-55-214(b)(1) is amended to read as
 26 follows to remove obsolete language and clarify a reference:

27 (b)(1) Concurrent with the filing of an application for a
 28 distributor's license, every distributor shall file with the director a bond
 29 of the character stipulated and in the amount provided for in §§ 26-55-222
 30 ~~and 26-55-228 [repealed]~~.

31
 32 SECTION 46. Arkansas Code § 26-55-218 is amended to read as follows to
 33 clarify a reference:

34 26-55-218. Distributor's license – Expiration.

35 ~~The~~ A distributor's license ~~shall remain in full force and~~ remains in
 36 effect until cancelled as provided in this subchapter.

1
2 SECTION 47. Arkansas Code § 26-55-229(c)(7) is amended to read as
3 follows to add clarifying language and make a stylistic change:

4 (7) An itemized statement of the number of gallons of motor fuel
5 received during the next-preceding calendar month and deductible under ~~the~~
6 ~~provisions of~~ § 26-55-230(a)(1)(D); and

7
8 SECTION 48. Arkansas Code § 26-55-230(a)(1)(E)(ii) is amended to read
9 as follows to add clarifying language:

10 (ii) The deduction for the loss may be included in
11 the report filed for the month in which the loss occurred or in any
12 subsequent report filed within a period of one (1) year; and

13
14 SECTION 49. Arkansas Code § 26-55-230(a)(2) is amended to read as
15 follows to add clarifying language and make stylistic changes:

16 (2) The number of gallons remaining after the deductions
17 ~~hereinabove~~ set forth in subdivision (a)(1) of this section have been made
18 shall be multiplied by the rate of tax ~~provided in~~ under § 26-55-205; and

19
20 SECTION 50. Arkansas Code § 26-55-236 is amended to read as follows to
21 classify a criminal offense, remove obsolete language, and make stylistic
22 changes:

23 26-55-236. Failure to file reports, statements, or returns –
24 Falsification – Penalties.

25 ~~Any~~ Upon conviction, a person who refuses or neglects to make any
26 statement, report, or return required by ~~the provisions of~~ this subchapter or
27 who knowingly makes, ~~or~~ aids, or assists ~~any other~~ another person in making a
28 false statement in a return or report required by this subchapter to the
29 Director of the Department of Finance and Administration ~~upon conviction is~~
30 guilty of an unclassified misdemeanor and shall be punished by a fine of not
31 less than one thousand dollars (\$1,000) nor more than ten thousand dollars
32 (\$10,000) or imprisonment ~~in the county jail~~ for a term of not less than
33 thirty (30) days and not more than one (1) year, or both ~~such~~ fine and
34 imprisonment.

35
36 SECTION 51. Arkansas Code § 26-55-237(d) is amended to read as follows

1 to classify a criminal offense, remove obsolete language, and make stylistic
 2 changes:

3 (d) ~~Any Upon conviction, a person willfully knowingly violating any of~~
 4 ~~the provisions of this section shall be~~ is guilty of a an unclassified
 5 misdemeanor and ~~upon conviction~~ shall be sentenced to pay a fine of one
 6 thousand dollars (\$1,000) and costs of prosecution or to undergo imprisonment
 7 for not more than one (1) year, or both ~~in the discretion of the court.~~

8

9 SECTION 52. Arkansas Code § 26-55-240(d) is amended to read as follows
 10 to classify a criminal offense, remove obsolete language, and make stylistic
 11 changes:

12 (d) ~~Any Upon conviction, a person violating any of the provisions of~~
 13 this section ~~shall be~~ is guilty of a an unclassified misdemeanor and ~~upon~~
 14 ~~conviction~~ shall be sentenced to pay a fine of not less than fifty dollars
 15 (\$50.00) nor more than three hundred dollars (\$300) and costs of the
 16 prosecution, or ~~to undergo~~ imprisonment for not more than one (1) year, or
 17 both.

18

19 SECTION 53. Arkansas Code § 26-55-245(c)(3) is repealed because it is
 20 obsolete:

21 ~~(3) Upon the approval in any amount by the director for any~~
 22 ~~deduction or credit, the director shall then transmit the certificate of~~
 23 ~~approval of the supervisor of the section and his or her own to the director~~
 24 ~~who himself or herself or by his or her duly authorized representative shall~~
 25 ~~review the approvals for confirmation or rejection and shall certify or~~
 26 ~~reject and return them to the director.~~

27

28 SECTION 54. Arkansas Code § 26-55-248 is amended to read as follows to
 29 classify a criminal offense, remove obsolete language, and make stylistic
 30 changes:

31 26-55-248. Sale of fuels purchased from other than duly licensed
 32 distributor – Penalties.

33 ~~Any~~ A person who sells ~~any~~ motor fuel purchased by ~~a person~~ him or her
 34 from any person other than a duly licensed distributor upon which the tax
 35 ~~herein imposed shall not be~~ by this subchapter has not been paid, upon
 36 conviction is guilty of an unclassified misdemeanor and shall be punished by

1 a fine of not less than one thousand dollars (\$1,000) nor more than ten
 2 thousand dollars (\$10,000) or imprisonment ~~in the county jail~~ for a term of
 3 not less than thirty (30) days and not more than one (1) year, or both fine
 4 and imprisonment.

5
 6 SECTION 55. Arkansas Code § 26-55-603(a) and (b) are amended to read
 7 as follows to correctly classify criminal offenses and make stylistic
 8 changes:

9 (a) ~~Any~~ Upon conviction, a person transporting fuels into the State of
 10 Arkansas without the appropriate bill of lading and import/export load permit
 11 or interstate shipment record as required by this subchapter ~~shall be~~ is
 12 guilty of a ~~misdemeanor violation~~ and shall be fined not more than two
 13 thousand five hundred dollars (\$2,500), of which one-half ($\frac{1}{2}$) shall be
 14 deposited with the Treasurer of State as special highway revenues to be
 15 disbursed in the same manner and to be used for the same purposes ~~as is~~ set
 16 out in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

17 (b) ~~Any~~ Upon conviction, a person is guilty of a violation and subject
 18 to the penalty in subsection (a) of this section if the person: who shall
 19 ~~make,~~

20 (1) Makes or ~~assist~~ assists ~~any other~~ another person to make,
 21 ~~any a~~ false or fraudulent statement in any report required by this
 22 subchapter, ~~or~~ the Motor Fuel Tax Law, § 26-55-201 et seq., or the Special
 23 Motor Fuels Tax Law, § 26-56-101 et seq., ~~or who shall fail;~~

24 (2) Fails to include any information demanded by this
 25 subchapter, ~~or~~ the Motor Fuel Tax Law, § 26-55-201 et seq., or the Special
 26 Motor Fuels Tax Law, § 26-56-101 et seq., ~~or who shall fail~~

27 (3) Fails to produce upon request of proper authority any
 28 information required in this subchapter, ~~or~~ the Motor Fuel Tax Law, § 26-55-
 29 201 et seq., or the Special Motor Fuels Tax Law, § 26-56-101 et seq., ~~shall~~
 30 ~~be guilty of a misdemeanor and subject to the penalties as provided in this~~
 31 ~~section.~~

32
 33 SECTION 56. Arkansas Code § 26-55-702 is amended to read as follows
 34 to remove obsolete language and make stylistic changes:

35 26-55-702. Liability for tax.

36 Any person, firm, or corporation that operates on the highways of this

1 state ~~any~~ a motor carrier, bus, truck, transport, or other motor vehicle,
 2 having a gross loaded weight of twenty-six thousand one pounds (26,001 lbs.)
 3 or more, and having motor fuel commonly or commercially sold and used as
 4 gasoline as defined in § 26-55-202 in its fuel tank or tanks, upon which the
 5 Arkansas motor fuel tax has not been paid, ~~shall be~~ is liable for a tax at
 6 the rate per gallon ~~provided in~~ under § 26-55-205 on all such gasoline used
 7 or consumed in the State of Arkansas, subject to ~~the provisions of §§ 26-55-~~
 8 ~~710 and 26-55-715 [repealed].~~

9
 10 SECTION 57. Arkansas Code § 26-55-712 is amended to read as follows to
 11 clarify the culpable mental state required to commit a criminal offense,
 12 clarify a reference, and make stylistic changes:

13 26-55-712. Bonded and unbonded interstate users – Knowing ~~and~~
 14 ~~intentional~~ failure to pay tax or penalty.

15 ~~Any~~ Upon conviction, a bonded or unbonded motor fuel user who knowingly
 16 ~~and intentionally~~ fails to pay the Arkansas gallonage tax due the State of
 17 Arkansas on motor fuel used on the highways of this state as required in §
 18 26-55-710 with respect to motor fuel taxes on Class C vehicles, or knowingly
 19 ~~and intentionally~~ fails to pay the penalty on the motor fuel on which the
 20 Arkansas motor fuel tax has not been paid as required in § 26-55-711 ~~shall be~~
 21 is guilty of a Class A misdemeanor ~~and upon conviction shall be punished in~~
 22 ~~the manner provided by law.~~

23
 24 SECTION 58. Arkansas Code § 26-55-714(d)(3) is amended to read as
 25 follows to add clarifying language and make a stylistic change:

26 (3) Each claim for refund ~~must~~ shall be upon the request of the
 27 interstate user, which shall be verified by the interstate user as to its
 28 accuracy and validity; and

29
 30 SECTION 59. Arkansas Code § 26-55-718 is amended to read as follows to
 31 correctly classify a criminal offense, clarify a reference, and make
 32 stylistic changes:

33 26-55-718. Failure to file report or pay tax, filing fraudulent
 34 reports, etc. – Penalties.

35 ~~Any~~ (a) Upon conviction, a person who uses gasoline in this state and
 36 fails to pay the tax levied by this subchapter or any person who makes a

1 false or fraudulent report ~~hereunder~~ under this subchapter or who otherwise
 2 violates ~~any of the provisions of~~ this subchapter ~~shall be~~ is guilty of a an
 3 unclassified misdemeanor and ~~upon conviction~~ shall be punished by a fine of
 4 not less than one hundred dollars (\$100) nor more than one thousand dollars
 5 (\$1,000) or by imprisonment ~~in the county jail~~ for not more than one (1)
 6 year, or by both ~~such~~ fine and imprisonment.

7 (b) Each separate day of ~~the violation shall constitute~~ is a separate
 8 offense.

9
 10 SECTION 60. Arkansas Code § 26-55-804(1)(C) is amended to read as
 11 follows to add clarifying language and clarify a reference:

12 (C) The invoice or sales ticket shall be preserved and
 13 retained by the owner or operator for ~~a period of~~ not less than three (3)
 14 years and shall be produced for the inspection and examination of the
 15 director or his or her authorized agent or employee, at any reasonable time
 16 and place, either ~~within~~ inside or ~~without~~ outside this state, upon proper
 17 demand ~~therefor,~~ for the invoice or sales ticket; or

18
 19 SECTION 61. Arkansas Code § 26-55-903(d) is amended to read as follows
 20 to clarify the procedure for adoption, amendment, or repeal of rules
 21 promulgated under Title 26, Chapter 55, Subchapter 9:

22 (d)~~(1)~~ The rules ~~or regulations~~ promulgated under this subchapter and
 23 any addition to or amendment or repeal ~~thereof~~ of the rules shall be adopted,
 24 changed, amended, or repealed only after full public hearing, which shall be
 25 adjourned from time to time as ~~may be~~ necessary to permit all interested or
 26 affected parties to be heard.

27 (2) At least thirty (30) days' prior written notice of the
 28 commencement of ~~such~~ the hearing shall be published two (2) times in one (1)
 29 newspaper of general circulation ~~which~~ that has been designated for that
 30 purpose by the director.

31 (3) The notice shall state the time, place, and purpose of the
 32 hearing and shall either set forth in full the rule ~~or regulation~~ to be
 33 considered or shall state where and how ~~such~~ the full text may be obtained.

34 (4) A copy of the notice shall be sent at the same time to every
 35 person who ~~shall have~~ has registered with the director a request to be so
 36 notified, together with the name and address to which ~~such~~ the notice should

1 be sent.

2 (5) Any ~~such rule or regulation~~ or amendment or repeal thereof
3 of a rule shall be effective sixty (60) days after ~~certified~~ copies have been
4 ~~filed as required by Acts 1953, No. 183 [repealed]~~ according to the Arkansas
5 Administrative Procedure Act, § 25-15-201 et seq.

6

7 SECTION 62. Arkansas Code § 26-55-1006(a) is amended to read as
8 follows to remove obsolete language and clarify a reference:

9 (a)~~(1)~~ ~~On and after July 1, 1999, in~~ In addition to the taxes levied
10 on motor fuel in §§ 26-55-205, 26-55-1002, and 26-55-1201, there is levied an
11 additional excise tax of ~~one cent (1¢)~~ three cents (3¢) per gallon ~~upon~~ on
12 all motor fuels subject to the taxes levied in ~~those sections~~ §§ 26-55-205,
13 26-55-1002, and 26-55-1201.

14 ~~(2) On and after July 1, 2000, the additional tax levied by this~~
15 ~~subsection shall be increased to two cents (2¢) per gallon.~~

16 ~~(3) On and after July 1, 2001, the additional tax levied by this~~
17 ~~subsection shall be increased to three cents (3¢) per gallon.~~

18

19 SECTION 63. Arkansas Code § 26-56-107 is amended to read as follows to
20 clarify a criminal offense:

21 26-56-107. False or fraudulent reports – Fraudulent avoidance of tax –
22 Penalty.

23 ~~Any~~ Upon conviction, a person who makes a false or fraudulent report
24 ~~hereunder~~ under this chapter or who fraudulently attempts to avoid the
25 payment of the tax ~~herein~~ levied in this chapter on any distillate special
26 fuel or liquefied gas special fuels ~~shall be~~ is guilty of a an unclassified
27 misdemeanor and ~~upon conviction~~ shall be fined not less than two hundred
28 dollars (\$200) nor more than two thousand dollars (\$2,000) or by imprisonment
29 for not less than thirty (30) days nor more than six (6) months, or both ~~so~~
30 fined and imprisoned.

31

32 SECTION 64. Arkansas Code § 26-56-202(b) and (c) are amended to read
33 as follows to remove obsolete language and correct a grammatical error:

34 (b) The tax levied by this subchapter shall be paid by an interstate
35 user on distillate special fuel imported into this state by ~~them~~ the
36 interstate user ~~as provided by under §§ 26-56-211 [repealed] and § 26-56-214.~~

1 (c) The tax levied by this subchapter shall be paid by any person who
 2 uses distillate special fuel in this state on which the tax levied in this
 3 subchapter has not been paid ~~in accordance with~~ according to the provisions
 4 ~~of §§ 26-56-211 [repealed] and § 26-56-214.~~

5
 6 SECTION 65. Arkansas Code § 26-56-206 is amended to read as follows to
 7 remove obsolete language and make a stylistic change:

8 26-56-206. Dealers' licenses and bonds – Municipal taxes.

9 ~~Nothing in §§ 26-56-204 and 26-56-205 [repealed] shall~~ Section 26-56-
 10 204 shall not be construed so as to does not prevent the collection of any
 11 privilege or occupation taxes by any municipality of this state for engaging
 12 in the business of a dealer within the limits of the municipality.

13
 14 SECTION 66. Arkansas Code § 26-56-213 is amended to read as follows to
 15 clarify the culpable mental state for a criminal offense, clarify criminal
 16 offenses, and make stylistic changes:

17 26-56-213. Bonded and unbonded users – Knowing ~~and intentional~~ failure
 18 to pay tax or penalty.

19 ~~Any~~ Upon conviction, a bonded or unbonded distillate special fuel user
 20 is guilty of a Class A misdemeanor if the bonded or unbonded distillate
 21 special fuel user who knowingly ~~and intentionally~~ fails to pay the:

22 (1) Arkansas gallonage tax due the State of Arkansas on motor
 23 fuel and distillate special fuel used on the highways of this state as
 24 required in § 26-56-214 with respect to distillate special fuel tax used on
 25 Class B vehicles, ~~and ; or knowingly and intentionally fails to pay the~~
 26 ~~penalty~~

27 (2) Penalty on the fuel on which the Arkansas distillate special
 28 fuel tax has not been paid, as required in § 26-56-214, ~~shall be guilty of a~~
 29 ~~Class A misdemeanor and upon conviction shall be punished in the manner~~
 30 ~~provided by law.~~

31
 32 SECTION 67. Arkansas Code § 26-56-215(d)(3) is amended to read as
 33 follows to add clarifying language and make a stylistic change:

34 (3) Each claim for refund ~~must~~ shall be upon the request of the
 35 interstate user, which shall be verified by the interstate user as to its
 36 accuracy and validity; and

1
 2 SECTION 68. Arkansas Code § 26-56-221 is amended to read as follows to
 3 add clarifying language and make stylistic changes:

4 26-56-221. Distribution of taxes.

5 ~~Of the one cent (1¢) additional tax levied on all distillate special~~
 6 ~~fuel under the provisions (a) Taxes from one cent (1¢) of the tax levied on~~
 7 ~~distillate special fuel in § 26-56-201(a)(1)(A) resulting from~~ of Acts 1979,
 8 No. 437, § 2, ~~the tax~~ shall be remitted to the Treasurer of State separate
 9 ~~and apart~~ from other distillate special fuel taxes, ~~and the.~~

10 (b) The gross amount thereof, of the taxes described in subsection (a)
 11 of this section without making any deduction therefrom for credit to the
 12 Constitutional Officer's Fund and the State Central Services Fund, shall be
 13 distributed as ~~provided by~~ under the Arkansas Highway Revenue Distribution
 14 Law, §§ 27-70-201 – 27-70-203, 27-70-206, and 27-70-207, without making any
 15 deduction for credit to the Constitutional Officers Fund and the State
 16 Central Services Fund.

17
 18 SECTION 69. Arkansas Code § 26-57-211 as amended by Acts 1997, No. 434
 19 is repealed because its provisions are being included in and resolved with §
 20 26-57-211 as amended by Acts 1997, No. 1337:

21 ~~26-57-211. Wholesaler to pay taxes—Reports and remittance of tax. [As~~
 22 ~~amended by Acts 1997, No. 434.]~~

23 ~~(a) Every wholesaler, or retailer who purchases tobacco products~~
 24 ~~directly from the manufacturer shall pay the taxes levied by this subchapter.~~

25 ~~(b)(1) On or before the fifteenth day of each month, every wholesaler~~
 26 ~~shall file a report for the previous month's tax collections with the~~
 27 ~~Director of the Department of Finance and Administration.~~

28 ~~(2) The report shall provide the information prescribed by the~~
 29 ~~director.~~

30 ~~(c)(1) When the report is filed, the wholesaler shall remit therewith~~
 31 ~~to the director ninety eight percent (98%) of the tax due under §§ 26-57-1101~~
 32 ~~and 26-57-1102, as amended by § 26-57-803.~~

33 ~~(2) Failure of the stamps deputy to remit such tax on or before~~
 34 ~~the twentieth day of each applicable month shall cause the wholesaler to~~
 35 ~~forfeit his or her claim to the discount, and the wholesaler must remit to~~
 36 ~~the director one hundred percent (100%) of the amount of tax due, plus any~~

1 ~~penalty or interest due.~~

2 ~~(d)(1) The director may add a penalty of ten percent (10%) of the tax~~
 3 ~~due to the tax due for the failure to file a report or for the failure to~~
 4 ~~remit the taxes at the time required, or for both.~~

5 ~~(2) In the event the director determines there has been an~~
 6 ~~attempt to evade the tax, a penalty of not more than fifty percent (50%) of~~
 7 ~~the tax due shall be added to the tax due.~~

8 ~~(e)(1)(A) In computing the amount of tax due under this subchapter,~~
 9 ~~and any act supplemental thereto, a wholesaler may deduct the cost of~~
 10 ~~cigarette tax stamps and tobacco taxes lost through bad debts.~~

11 ~~(B) Any deduction taken or refund paid attributable to bad~~
 12 ~~debts shall not include interest.~~

13 ~~(C) Bad debts incurred for sales made prior to August 13,~~
 14 ~~1993, shall not be deducted.~~

15 ~~(D) Bad debts must be deducted within three (3) years of~~
 16 ~~the date of the sale for which the debt was incurred.~~

17 ~~(E) If a deduction is taken for a bad debt and the~~
 18 ~~taxpayer subsequently collects the debt in whole or in part, the tax on the~~
 19 ~~amount so collected shall be paid and reported on the next return due after~~
 20 ~~the collection.~~

21 ~~(2)(A) As used in this section, "bad debt" means any cigarette~~
 22 ~~or tobacco tax which the wholesaler legally claims as a bad debt deduction~~
 23 ~~for federal income tax purposes.~~

24 ~~(B) "Bad debt" includes, but is not limited to, worthless~~
 25 ~~checks, worthless credit card payments, and uncollectible credit accounts.~~

26 ~~(C) "Bad debt" does not include financing charges or~~
 27 ~~interest, uncollectible amounts on property that remains in the possession of~~
 28 ~~the taxpayer or vendor until the full purchase price is paid, expenses~~
 29 ~~incurred in attempting to collect any debt, debts sold or assigned to third~~
 30 ~~parties for collection, and repossessed property.~~

31
 32 SECTION 70. Arkansas Code § 26-57-211 as amended by Acts 1997, No.
 33 1337 is amended to read as follows to include provisions from and resolve
 34 issues with § 26-57-211 as amended by Acts 1997, No. 434:

35 26-57-211. Wholesaler to pay taxes – Reports and remittance of tax.
 36 [As amended by Acts 1997, No. 1337.]

1 (a)(1)(A) The taxes levied by this subchapter shall be reported and
2 paid by wholesalers licensed ~~pursuant to~~ under § 26-57-214.

3 (B) However, retailers shall be liable for reporting and
4 paying these taxes when a retailer purchases tobacco products directly from a
5 manufacturer or from a wholesaler or distributor not licensed ~~pursuant to~~
6 under § 26-57-214.

7 (2)(A) ~~Any~~ A taxpayer who fails to report and remit the tobacco
8 tax due on tobacco products purchased from manufacturers, distributors, or
9 wholesalers who are not licensed under § 26-57-214 shall be subject to the
10 following penalties:

11 (i) Five percent (5%) of the total tobacco tax due
12 for the first offense;

13 (ii) Twenty percent (20%) of the total tobacco tax
14 due for the second offense; and

15 (iii) Twenty-five percent (25%) of the total tobacco
16 tax due for the third and any subsequent offenses.

17 (B) In addition, the taxpayer's retail cigarette/tobacco
18 permit shall be revoked for a period of ninety (90) days for the third and
19 any subsequent offenses.

20 (3) ~~The provisions of this subsection shall~~ This subsection does
21 not affect the provisions of § 26-57-228.

22 (b)(1) On or before the fifteenth day of each month, every wholesaler
23 shall file a report for the previous month's tax collections with the
24 Director of the Department of Finance and Administration.

25 (2) The report shall provide the information prescribed by the
26 director.

27 (c)(1)(A)(i) When the report under subsection (b) of this section is
28 filed, the wholesaler shall remit ~~the full amount to the director with the~~
29 report ninety-eight percent (98%) of the tax due for the previous month to
30 the director.

31 (ii) The discount of two percent (2%) under
32 subdivision (c)(1)(A)(i) of this section does not apply to taxes due under §
33 26-57-804 or § 26-57-805.

34 (B) If the stamps deputy fails to remit the tax on or
35 before the twentieth day of each applicable month, the wholesaler forfeits
36 his or her claim to the discount described in subdivision (c)(1)(A) of this

1 section and the wholesaler shall remit to the director one hundred percent
2 (100%) of the amount of tax due, plus any penalty or interest due.

3 (2) ~~In the event~~ If the payment of any tax due becomes
4 delinquent, the taxpayer shall remit the full amount of the tax due plus
5 penalty.

6 (d)(1) The director may add a penalty of ten percent (10%) of the tax
7 due to the tax due for the failure to file a report or for the failure to
8 remit the taxes at the time required, or for both.

9 (2) ~~In the event~~ If the director determines there has been an
10 attempt to evade the tax, a penalty of not more than fifty percent (50%) of
11 the tax due shall be added to the tax due.

12 (e)(1)(A) In computing the amount of tax due under this subchapter and
13 any act supplemental to this subchapter, a wholesaler may deduct the cost of
14 cigarette tax stamps and tobacco taxes lost through bad debts.

15 (B) Any deduction taken or refund paid attributable to bad
16 debts shall not include interest.

17 (C) A bad debt incurred for a sale made ~~prior to~~ before
18 August 13, 1993, shall not be deducted.

19 (D) A bad debt must be deducted within three (3) years of
20 the date of the sale for which the debt was incurred.

21 (E) If a deduction is taken for a bad debt and the
22 taxpayer subsequently collects the debt in whole or in part, the tax on the
23 amount so collected shall be paid and reported on the next return due after
24 the collection.

25 (2)(A) As used in this section, "bad debt" means any cigarette
26 or tobacco tax ~~which~~ that the wholesaler legally claims as a bad debt
27 deduction for federal income tax purposes.

28 (B) "Bad debt" includes, ~~but is not limited to,~~ without
29 limitation a worthless check, a worthless credit card payment, and an
30 uncollectible credit account.

31 (C) "Bad debt" does not include financing charges or
32 interest, an uncollectible amount on property that remains in the possession
33 of the taxpayer or vendor until the full purchase price is paid, expenses
34 incurred in attempting to collect any debt, a debt sold or assigned to a
35 third party for collection, and repossessed property.

36

1 SECTION 71. Arkansas Code § 26-57-233(3) is amended to read as follows
2 to add clarifying language:

3 (3) The salesperson may sell to or take orders for tobacco
4 products from licensed retailers provided that the tobacco products shall be
5 delivered to the retailer only by a licensed wholesaler; and
6

7 SECTION 72. Arkansas Code § 26-57-236, as amended by Acts 1997, No.
8 434, is repealed because it is being reconciled into Arkansas Code § 26-57-
9 236, as amended by Acts 1997, No. 1337, by this act:

10 ~~26-57-236. Stamp deputies. [As amended by Acts 1997, No. 434.]~~

11 ~~(a) The Director of the Department of Finance and Administration shall~~
12 ~~furnish stamps to licensed wholesalers directly or through stamp deputies.~~

13 ~~(b) The director may appoint and commission stamp deputies, who shall~~
14 ~~be the owners or officers of wholesalers, to handle the stamps and collect~~
15 ~~the tax on cigarettes before sales of cigarettes are made to the retailers.~~

16 ~~(c) Stamp deputies are, within the scope of their authority, agents of~~
17 ~~the director and shall be accountable as such for any wrongful acts.~~

18 ~~(d) Each stamp deputy shall furnish a bond in an amount and in the~~
19 ~~form as prescribed by the director.~~

20 ~~(e) A stamp deputy's open account shall not exceed seventy five~~
21 ~~percent (75%) of the total amount of the bond provided by the stamp deputy.~~

22 ~~(f) Stamp deputies shall keep records of all stamp sales and tax~~
23 ~~collections and shall make the reports prescribed by the director.~~

24 ~~(g)(1) A commission shall be paid by the director to stamp deputies~~
25 ~~for the sales and collection of cigarette tax stamps and for affixing the tax~~
26 ~~stamps to each package of cigarettes.~~

27 ~~(2) The commission shall not be less than three and eight tenths~~
28 ~~percent (3.8%) of the total aggregate cigarette tax collected.~~

29 ~~(h)(1) All deposits held by any bank for a stamp deputy which~~
30 ~~represent the sales of stamps are trust funds and shall be held as a special~~
31 ~~deposit.~~

32 ~~(2) In the event of the failure or insolvency of the bank, the~~
33 ~~deposits shall be classed and considered as preferred claims due the State of~~
34 ~~Arkansas.~~

35
36 SECTION 73. Arkansas Code § 26-57-236(f), as amended by Acts 1997, No.

1 1337, is amended to read as follows for consistency with former § 26-57-236,
 2 as amended by Acts 1997, No. 434, repealed by this act:

3 (f) ~~A commission shall be paid by the~~ The Director of the Department
 4 of Finance and Administration shall pay a commission to stamp deputies for
 5 the sale of ~~stamps for cigarettes~~ cigarette tax stamps, the affixing of a
 6 cigarette tax stamps stamp to each package of cigarettes, and the collection
 7 of cigarette taxes. The commission paid shall not be less than three and
 8 eight-tenths percent (3.8%) of the total aggregate cigarette tax collected.

9
 10 SECTION 74. Arkansas Code § 26-57-240 is amended to read as follows to
 11 clarify the culpable mental state for a criminal offense, classify the
 12 criminal offense, clarify the criminal offense, and make stylistic changes:

13 26-57-240. Counterfeiting of stamps unlawful – Penalty.

14 ~~Any~~ Upon conviction, a person is guilty of a Class D felony if the
 15 person: who falsely

16 (1) Falsely and fraudulently makes, forges, or counterfeits any
 17 stamps prescribed for use in the administration of this subchapter; ~~or who~~
 18 ~~knowingly and willfully~~

19 (2) Knowingly has in his or her possession any false, altered,
 20 forged, previously used, or counterfeit stamps prescribed for use in the
 21 administration of this subchapter; or who knowingly or willfully

22 (3) Knowingly utters, publishes, passes, or tenders as true any
 23 false, altered, forged, previously used, or counterfeit stamps prescribed for
 24 ~~such use in the administration of this subchapter is guilty of a felony and~~
 25 ~~upon conviction shall be punished as is provided by § 5-1-106(e).~~

26
 27 SECTION 75. Arkansas Code § 26-57-245(1) is amended to read as follows
 28 to add clarifying language:

29 (1) Class C felony if the tax value of the total amount of
 30 tobacco products is equal to or exceeds one hundred dollars (\$100); or

31
 32 SECTION 76. Arkansas Code § 26-57-256(a)(5)(A) is amended to read as
 33 follows to correct a reference due to amendments to be made in another act of
 34 this session to title 5 and make a stylistic change:

35 (5)(A) Conduct public hearings when appropriate regarding any
 36 permit and license authorized by this subchapter or in violation of this

1 subchapter, the Unfair Cigarette Sales Act, § 4-75-701 et seq., § ~~5-27-227~~ 5-
 2 27-701 et seq., or any other federal, state, or local statute, ordinance,
 3 rule, or regulation concerning the sale of tobacco products to minors or the
 4 rules ~~and regulations~~ promulgated by the board.

5
 6 SECTION 77. Arkansas Code § 26-57-257(aa) is amended to read as
 7 follows to correct a reference due to amendments to be made in another act of
 8 this session to title 5:

9 (aa) If any person, business, or corporation has been prosecuted for a
 10 single specific violation of § ~~5-27-227(a)~~ 5-27-702(a) or § ~~5-27-227(b)~~ 5-27-
 11 702(b), the person, business, or corporation shall not be assessed a civil
 12 penalty under this section based on the same facts or specific incident upon
 13 which the prosecution under § ~~5-27-227(a)~~ 5-27-702(a) or § ~~5-27-227(b)~~ 5-27-
 14 702(b) was based.

15
 16 SECTION 78. The introductory language of Arkansas Code § 26-57-257(r)
 17 is amended to read as follows to correct a reference due to amendments to be
 18 made in another act of this session to title 5:

19 (r) The board may assess penalties for violation of § ~~5-27-227(a)~~ 5-
 20 27-702(a) according to the following schedule:

21
 22 SECTION 79. Arkansas Code § 26-57-257(s)(1) is amended to read as
 23 follows to correct a reference due to amendments to be made in another act of
 24 this session to title 5:

25 (s)(1) A notice of an alleged violation of § ~~5-27-227~~ 5-27-701 et seq.
 26 shall be given to the holder of a retail permit or license within ten (10)
 27 days of the alleged violation.

28
 29 SECTION 80. Arkansas Code § 26-57-257(u) is amended to read as follows
 30 to correct a reference due to amendments to be made in another act of this
 31 session to title 5 and make stylistic changes:

32 (u) Notwithstanding ~~the provisions of~~ subsection (r) of this section,
 33 ~~no~~ a penalty for a violation of § ~~5-27-227~~ 5-27-701 et seq. shall not be
 34 imposed upon a retailer or agent or employee of ~~such a~~ a retailer who can
 35 establish an affirmative defense that ~~prior to~~ before the date of the
 36 violation the retailer or agent or employee of the retailer furnishing the

1 tobacco in any form or cigarette papers reasonably relied upon proof of age
 2 ~~which that~~ identified the person receiving the tobacco in any form or
 3 cigarette papers as being eighteen (18) years of age or older.
 4

5 SECTION 81. Arkansas Code § 26-57-257(x) is amended to read as follows
 6 to correct a reference due to amendments to be made in another act of this
 7 session to title 5:

8 (x) An employee of a permit holder who violates § ~~5-27-227~~ 5-27-701 et
 9 seq. ~~shall be~~ is subject to a civil penalty not to exceed one hundred dollars
 10 (\$100) per violation.
 11

12 SECTION 82. Arkansas Code § 26-57-257(y)(1) is amended to read as
 13 follows to correct a reference due to amendments to be made in another act of
 14 this session to title 5:

15 (y)(1) In the case of a corporation or business with more than one (1)
 16 retail location, to determine the number of accumulated violations for
 17 purposes of the penalty schedule set forth in subsection (r) of this section,
 18 violations of § ~~5-27-227(a)~~ 5-27-702(a) by one (1) retail location shall not
 19 be accumulated against other retail locations of that same corporation or
 20 business.
 21

22 SECTION 83. Arkansas Code § 26-57-257(z) is amended to read as follows
 23 to correct a reference due to amendments to be made in another act of this
 24 session to title 5:

25 (z) If a penalty has been assessed ~~pursuant to~~ under this section
 26 against ~~any a~~ a person, business, or corporation for a single specific
 27 violation of § ~~5-27-227(a)~~ 5-27-702(a) or § ~~5-27-227(b)~~ 5-27-702(b), the
 28 person, business, or corporation shall not be prosecuted under § ~~5-27-227(a)~~
 29 5-27-702(a) or § ~~5-27-227(b)~~ 5-27-702(b) for a violation based on the same
 30 facts or specific incident for which the penalty was assessed under this
 31 section.
 32

33 SECTION 84. Arkansas Code § 26-57-401 is amended to read as follows to
 34 correct obsolete language and clarify a reference:

35 26-57-401. Purposes.

36 The purposes of ~~this section and §§ 26-57-306 [repealed] and 26-57-402~~

1 ~~26-57-407~~ this subchapter are to permit, license, and regulate the
 2 operation of coin-operated amusement ~~games~~ devices and to fix a penalty for
 3 ~~the a~~ violation of ~~this section and §§ 26-57-306 [repealed] and 26-57-402—~~
 4 ~~26-57-407~~ this subchapter.

5
 6 SECTION 85. Arkansas Code § 26-57-407 is amended to read as follows to
 7 remove obsolete language and make stylistic changes:

8 26-57-407. Disposition of revenue collected.

9 (a) All revenue collected under this section and §§ ~~26-57-306~~
 10 ~~[repealed]~~ and 26-57-401 – ~~26-57-407~~ 26-57-406 shall be deposited into the
 11 State Treasury.

12 (b) The first thirty thousand dollars (\$30,000) annually collected
 13 shall be placed to the credit of the Public School Fund, and all moneys over
 14 ~~said~~ thirty thousand dollars (\$30,000) annually collected shall be placed to
 15 the credit of the State Board of Health for rural health work.

16
 17 SECTION 86. Arkansas Code § 26-57-408(b) is amended to read as follows
 18 to remove obsolete language and make stylistic changes:

19 (b) It is further declared that the owners, operators, and lessors of
 20 ~~such machines~~ coin-operated amusement devices shall pay a fee for ~~this the~~
 21 privilege of owning, operating, or leasing coin-operated amusement devices in
 22 addition to the privilege tax required by ~~law~~ § 26-57-404 to be paid on
 23 amusement devices.

24
 25 SECTION 87. Arkansas Code § 26-57-414(b) is amended to read as follows
 26 to clarify references and make stylistic changes:

27 (b)(1) ~~Any~~ A coin-operated amusement device so-operated owned,
 28 operated, or leased without first obtaining the license prescribed in § 26-
 29 57-412 shall be seized by an authorized agent of the Revenue Division of the
 30 Department of Finance and Administration and sold by the Director of the
 31 Department of Finance and Administration at public auction on an order of the
 32 Pulaski County Circuit Court.

33 (2) However, ~~such devices~~ a coin-operated amusement device
 34 seized under subdivision (b)(1) of this section may be redeemed ~~prior to~~
 35 before sale by ~~their~~ the owner of the coin-operated amusement device upon the
 36 payment of ~~any~~:

1 (A) All sales or use ~~tax~~ taxes due on ~~such~~ the coin-
2 operated amusement devices, device; the

3 (B) The sales tax on the receipt of ~~such~~ the wrongfully
4 operated ~~machine,~~ coin-operated amusement device; all

5 (C) All costs and expenses incurred in connection with the
6 seizure and obtaining the order of the court,; and a

7 (D) A penalty of one thousand dollars (\$1,000).

8
9 SECTION 88. Arkansas Code § 26-57-416(b)(1) is amended to read as
10 follows to clarify references and make stylistic changes:

11 (b)(1) ~~It is the duty and obligation of the~~ A licensee to shall
12 ascertain the amount of sales tax due on the receipts of the ~~machine~~
13 amusement device and to withhold the amount of ~~such~~ the sales tax due from
14 ~~such~~ the receipts and to remit the sales tax due to the Revenue Division of
15 the Department of Finance and Administration.

16
17 SECTION 89. Arkansas Code § 26-57-417(b)(2) is amended to read as
18 follows to clarify references and make stylistic changes:

19 (2) However, if the owner of the ~~machine~~ coin-operated amusement
20 device is a licensed operator under this subchapter, the owner may redeem the
21 ~~machine~~ coin-operated amusement device upon the payment of a ~~ten-dollar~~
22 penalty of ten dollars (\$10.00).

23
24 SECTION 90. Arkansas Code § 26-57-420(a)(1) is amended to read as
25 follows to correct obsolete language, clarify references, and make stylistic
26 changes:

27 (a)(1) Before a sale of any coin-operated amusement device is
28 concluded, the licensee or his or her salesperson shall notify the purchaser
29 that the operation of the coin-operated amusement device is subject to
30 ~~taxation as set forth in under §§ 26-57-301 et seq. [repealed] and 26-57-402~~
31 ~~—26-57-407~~ this subchapter.

32
33 SECTION 91. Arkansas Code § 26-57-611 is amended to read as follows to
34 remove obsolete language:

35 26-57-611. Disposition of nonallocated funds.

36 The Insurance Commissioner shall deposit all premium taxes collected

1 under this subchapter ~~which~~ that are not allocated and appropriated for the
 2 various funds under the Workers' Compensation Law, § 11-9-101 et seq., for
 3 the Arkansas Fire and Police Pension Review Board and firemen's relief and
 4 pension funds under §§ 24-11-809, ~~24-11-810 [repealed]~~, and ~~26-57-609~~
 5 ~~[repealed]~~, and for the Arkansas Fire and Police Pension Review Board and
 6 police officer's pension and relief funds under § 24-11-301 into the State
 7 Treasury as general revenues.

8
 9 SECTION 92. Arkansas Code § 26-57-615(b)(1) is amended to read as
 10 follows to remove obsolete language:

11 ~~(b)(1) Credits for fees paid in states of licensure other than~~
 12 ~~Arkansas in calendar year 1993 shall be allowed insurers domiciled in this~~
 13 ~~state pursuant to subsection (a) of this section against annual Arkansas~~
 14 ~~premium taxes reported and paid on March 1, 1994, and, in subsequent years,~~
 15 ~~such credits~~ Credits permitted in subsection (a) of this section shall be
 16 reported annually on March 1.

17
 18 SECTION 93. Arkansas Code § 26-57-804(e) is amended to read as follows
 19 to reflect the reconciliation by this act of the two versions of § 26-57-236:

20 (e) The Director of the Department of Finance and Administration shall
 21 not pay the commission authorized by § 26-57-236~~(g)~~(f) with respect to the
 22 tax levied by this section.

23
 24 SECTION 94. Arkansas Code § 26-57-904(a)(2) is amended to read as
 25 follows to add clarifying language:

26 (2) Twenty-one cents (21¢) per gallon for each gallon of bottled
 27 soft drinks sold or offered for sale in the State of Arkansas; and

28
 29 SECTION 95. Arkansas Code § 26-57-1108(b) is repealed because it is
 30 obsolete.

31 ~~(b) The commission authorized by § 26-57-236(g) shall be at the rate~~
 32 ~~of three and eight tenths percent (3.8%) during any fiscal year for which the~~
 33 ~~General Assembly has appropriated at least eight hundred thousand dollars~~
 34 ~~(\$800,000) from general revenues to the Breast Cancer Research Fund and at~~
 35 ~~least three million two hundred thousand dollars (\$3,200,000) of general~~
 36 ~~revenues to the Breast Cancer Control Fund and funded those appropriations in~~

1 Category A of the Revenue Stabilization Law for that fiscal year, otherwise
 2 the commission shall be as prescribed in § 26-57-236(g).
 3

4 SECTION 96. Arkansas Code § 26-57-1206(b)(1) is amended to read as
 5 follows to add clarifying language, clarify references, and make stylistic
 6 changes:

7 ~~(1) The special vending device decal may be issued for any~~
 8 ~~number of thirty day periods, less than a full year, and the special decal~~
 9 ~~shall indicate on its face that it is a special decal, not an annual decal,~~
 10 ~~and the special decal shall be for one (1) or more thirty day periods, but~~
 11 ~~the special decal state on its face the precise dates for which it has been~~
 12 ~~issued and the special decal shall not be transferred from one (1) vending~~
 13 ~~device to another;~~

14 (1)(A) The special vending device decal may be issued for any
 15 number of thirty-day periods totaling less than a full year.

16 (B) The special vending device decal shall:

17 (i) State on its face that it is a special vending
 18 device decal, not an annual vending device decal;

19 (ii) Be for one (1) or more thirty-day periods;

20 (iii) State on its face the precise dates for which
 21 it has been issued; and

22 (iv) Not be transferred from one (1) vending device
 23 to another vending device;
 24
 25

26 SECTION 97. Arkansas Code § 26-57-1209(b) is amended to read as
 27 follows to remove superfluous language, add clarifying language, clarify
 28 references, and make stylistic changes:

29 (b) ~~Any~~ Upon conviction, a person who is the operator of a vending
 30 device who places the vending device in operation in this state for use or
 31 operation by members of the general public without first attaching ~~thereto to~~ to
 32 the vending device either the a valid and current annual vending device decal
 33 or special vending device decal provided for herein in under this subchapter,
 34 ~~shall be is~~ is guilty of a Class C misdemeanor ~~and, upon conviction, shall be~~
 35 ~~punished by a fine not exceeding one hundred dollars (\$100) or by~~
 36 ~~imprisonment in the county jail for a period not exceeding thirty (30) days,~~

1 ~~or by both such fine and imprisonment, as provided by §§ 5-4-201 and 5-4-401,~~
 2 ~~for each such vending device found not to be in compliance with the~~
 3 ~~requirements of~~ have a valid and current annual vending device decal or
 4 special vending device decal under this subchapter .

5
 6 SECTION 98. Arkansas Code § 26-57-1303(a)(3)(A) is amended to read as
 7 follows to add clarifying language:

8 (A) An electronic mail address and ~~facsimile~~ fax number to
 9 which notices from the Attorney General may be sent and a list of all of its
 10 brand families and the number of units sold for each brand family that were
 11 sold in the state during the preceding calendar year; and

12
 13 SECTION 99. Arkansas Code § 26-58-111(7)(B) is amended to read as
 14 follows to add clarifying language:

15 (B) On all other timber, twelve and one-half cents ~~(12½¢)~~
 16 (12.5¢) per ton of two thousand pounds (2,000 lbs.); and

17
 18 SECTION 100. Arkansas Code § 26-58-111(9) is amended to read as
 19 follows to add clarifying language:

20 (9) On salt water whose naturally dissolved components, or
 21 solutes, are used as source raw materials for bromine and other products
 22 derived from the same salt water used in the bromine production, two dollars
 23 and forty-five cents (\$2.45) per one thousand (1,000) barrels, forty-two
 24 thousand United States gallons (42,000 U.S. gallons); and

25
 26 SECTION 101. Arkansas Code § 26-58-114(e) is amended to read as
 27 follows to clarify criminal offenses, correctly classify criminal offenses,
 28 and make stylistic changes:

29 ~~(e)(1) Any producer or primary processor who shall fail to comply with~~
 30 ~~the provisions of this section shall be guilty of a misdemeanor and upon~~
 31 ~~conviction shall be fined not less than one hundred dollars (\$100) nor more~~
 32 ~~than five hundred dollars (\$500) for each such offense, and the willful false~~
 33 ~~swearing as to the contents of any such report shall constitute perjury and~~
 34 ~~shall be punishable as such. Upon conviction, a producer or primary processor~~
 35 who fails to comply with this section is guilty of a violation and shall be
 36 fined not less than one hundred dollars (\$100) nor more than five hundred

1 dollars (\$500) for each offense.

2 (2) Upon conviction, a person knowingly making a false material
 3 statement in a report required by this section is guilty of perjury under §
 4 5-53-102.

5
 6 SECTION 102. Arkansas Code § 26-58-116(c) and (d) are amended to read
 7 as follows to clarify criminal offenses, classify criminal offenses, and make
 8 stylistic changes:

9 (c)(1) ~~The~~ Unless the director has given advance written approval for
 10 the removal under subsection (a) of this section, the removal by the
 11 purchaser of natural resources to any point of concentration or assembly,
 12 either ~~within or without~~ inside or outside the state, without the severance
 13 tax having been previously paid by the producer or ~~such the~~ purchaser, ~~unless~~
 14 ~~the director shall have given advance written approval therefor as aforesaid~~
 15 ~~shall be~~ is deemed a fraudulent concealment of the ~~whereabouts~~ location of
 16 ~~such the~~ natural resources with the intent to avoid the payment of ~~such the~~
 17 severance tax.

18 (2) ~~Each such~~ Unless the director has given advance written
 19 approval for the removal, the removal by the producer, purchaser, or primary
 20 processor of any timber to any point outside the state without the severance
 21 tax having been paid on the timber is unlawful.

22 (d)(1) Upon conviction, each removal described in subdivision (c)(1)
 23 of this section by the purchaser is a violation and any failure by the
 24 purchaser to file the monthly reports as provided in this section shall
 25 constitute a separate offense and shall subject the purchaser to punishable
 26 by a fine of not less than at least fifty dollars (\$50.00) ~~nor~~ and not more
 27 than five hundred dollars (\$500).

28 (2) Upon conviction, each removal described in subdivision
 29 (c)(2) of this section by the producer, purchaser, or primary processor is a
 30 violation punishable by a fine of at least fifty dollars (\$50.00) and not
 31 more than five hundred dollars (\$500).

32 (3) Upon conviction, each failure by a producer, purchaser, or
 33 primary processor to file a monthly report required by this section is a
 34 violation punishable by a fine of at least fifty dollars (\$50.00) and not
 35 more than five hundred dollars (\$500).

36 ~~(3) The willful false swearing as to the contents of any monthly~~

1 ~~report shall constitute perjury and shall be punished as such~~ (4) Upon
 2 conviction, a person knowingly making a false material statement in a monthly
 3 report required by this section is guilty of perjury under § 5-53-102.

4 ~~(d)(1) The removal by the producer, purchaser, or primary processor of~~
 5 ~~any timber to any point outside the state without the severance tax having~~
 6 ~~been paid thereon, unless the director shall have given advance written~~
 7 ~~approval thereof, shall be unlawful.~~

8 ~~(2) Each failure of a producer, purchaser, or primary processor~~
 9 ~~to file a monthly report as required in this section shall be unlawful.~~

10 ~~(3) Each such removal or failure to file a monthly report shall~~
 11 ~~be a separate offense punishable by a fine of at least fifty dollars (\$50.00)~~
 12 ~~and not more than five hundred dollars (\$500).~~

13 ~~(4) Any willful false swearing regarding the contents of a~~
 14 ~~monthly report shall constitute perjury and shall be punishable as such.~~

15
 16 SECTION 103. Arkansas Code § 26-58-209(2) is amended to read as
 17 follows to add clarifying language:

18 (2) The actual cash outlay of the oil producer in purchasing
 19 stock in a business or corporation organized exclusively for the purpose of
 20 constructing and operating an approved underground salt water disposal
 21 system; and

22
 23 SECTION 104. Arkansas Code § 26-58-302(c)(1) is amended to read as
 24 follows to correct a reference:

25 (c)(1) Funds collected by the director under ~~the provisions of this~~
 26 ~~section shall be~~ are classified as cash fund receipts, and the full amount
 27 ~~thereof of the funds~~ shall be deposited into one (1) or more accounts in one
 28 (1) or more banks in this state, which account or accounts shall be
 29 designated "~~Oil and Brine Museum Funds~~ Arkansas Museum of Natural Resources
 30 Fund".

31
 32 SECTION 105. Arkansas Code § 26-58-303(c)(1) is amended to read as
 33 follows to correct a reference:

34 (c)(1) Funds collected by the director under ~~the provisions of this~~
 35 ~~section shall be~~ are classified as cash fund receipts, and the full amount
 36 ~~thereof of the funds~~ shall be deposited into one (1) or more accounts in one

1 (1) or more banks in this state, to be designated by the Department of
 2 Finance and Administration, which account or accounts shall be designated
 3 "~~Oil and Brine Museum~~ Arkansas Museum of Natural Resources Bond Redemption
 4 Fund," ".

5
 6 SECTION 106. Arkansas Code § 26-62-201(e) and (f) are amended to read
 7 as follows to remove obsolete language and make stylistic changes:

8 (e)(1) The Director of the Department of Finance and Administration ~~is~~
 9 ~~authorized to~~ may develop a procedure ~~such as one pursuant to~~ in which the
 10 type of alternative fuels or other type of fuel is noted on the certificate
 11 of title or certificate of registration of ~~such an alternative fuels~~ vehicle.

12 (2) It is the intention of this subsection to develop a system
 13 for the Director of the Department of Finance and Administration, ~~the~~
 14 ~~Alternative Fuels Commission abolished~~, and other officials of the State of
 15 Arkansas to know the precise number of vehicles ~~utilizing~~ using alternative
 16 fuels and other fuels licensed in this state, both in the aggregate and by
 17 the type of fuel propelling ~~such vehicle~~ the vehicles.

18 (f) Not later than ~~June 1, 1993, February 15, 1994, and the fifteenth~~
 19 ~~day of~~ February 15 each year ~~thereafter~~, the Director of the Department of
 20 Finance and Administration shall file a written report with the Director of
 21 State Highways and Transportation ~~and the Director of the Alternative Fuels~~
 22 ~~Commission abolished~~ setting forth the number of vehicles ~~utilizing~~ using
 23 alternative fuels and other types of fuels licensed in this state as of the
 24 end of the preceding calendar year, both in the aggregate and by each type of
 25 fuel, ~~and for the report due February 15, 1994, and the fifteenth day of~~
 26 ~~February for each year thereafter~~, the amount of tax revenue received by the
 27 State of Arkansas on the tax levied by this chapter. The Director of the
 28 Department of Finance and Administration shall also state the tax rate for
 29 the next twelve (12) months, ~~commencing~~ beginning as of the first day of
 30 April of ~~such~~ each year for each type of alternative fuel.

31
 32 SECTION 107. Arkansas Code § 26-62-210(d)(4)(B) is amended to read as
 33 follows to add clarifying language:

34 (B) At the end of each calendar quarter, the licensed
 35 interstate user or licensed IFTA carrier user may ~~make application~~ apply for
 36 a refund with respect to the number of equivalent gallons of alternative

1 fuels upon which the alternative fuels taxes have been paid during the
 2 calendar quarter for which ~~such~~ the licensed interstate user or licensed IFTA
 3 carrier user is entitled to a refund; and

4
 5 SECTION 108. Arkansas Code § 26-73-106(b) is amended to read as
 6 follows to add clarifying language:

7 (b) All taxes collected by the director under this subchapter shall be
 8 deposited into the State Treasury and credited to the Revenue Local Tax
 9 Revolving Fund and transmitted at least quarterly in each state fiscal year
 10 to the local government levying the tax.

11
 12 SECTION 109: Arkansas Code § 26-63-102(5)(B) and (C) are amended to
 13 read as follows to correct an inconsistency with § 26-52-103:

14 (B) "Lease" or "rental" does not include:

15 (i) A transfer of possession or control of tangible
 16 personal property under a security agreement or deferred payment plan that
 17 requires the transfer of title upon completion of the required payments;

18 (ii) A transfer of possession or control of tangible
 19 personal property under an agreement that requires the transfer of title upon
 20 completion of required payments and payment of an option price that does not
 21 exceed the greater of one hundred dollars (\$100) or one percent (1%) of the
 22 total required payments; or

23 (iii)(a) Providing tangible personal property along
 24 with an operator for a fixed or indeterminate period of time.

25 (b) A condition of this exclusion in this
 26 subdivision (5)(B)(iii) is that the operator is necessary for the equipment
 27 to perform as designed.

28 (c) For the purpose of this subdivision
 29 (5)(B)(iii), an operator must do more than maintain, inspect, or set up the
 30 tangible personal property; ~~or~~ .

31 ~~(iv)~~ (C) An "Lease" or "rental" includes an
 32 agreement covering a motor vehicle and trailer if the amount of consideration
 33 may be increased or decreased by reference to the amount realized upon the
 34 sale or disposition of the property as defined in 26 U.S.C. § 7701(h)(2), as
 35 in effect on January 1, 2007.

36 ~~(C)~~ (D) This definition of "lease" or "rental" in this

1 subdivision (5) shall:

2 (i) Be used for excise tax purposes under this chapter
 3 regardless of whether a transaction is characterized as a lease or rental
 4 under generally accepted accounting principles, the Internal Revenue Code, as
 5 in effect on January 1, 2007, the Uniform Commercial Code, § 4-1-101 et seq.,
 6 or another provision of federal, state, or local law;

7 (ii) Be applied only prospectively from January 1, 2008,
 8 and shall have no retroactive impact on existing leases or rentals; and

9 (iii) Impact neither any existing sale-leaseback exemption
 10 nor exclusion;

11
 12 SECTION 110. Arkansas Code § 26-73-112(c) is amended to read as
 13 follows to clarify references and make stylistic changes:

14 (c) ~~The proceeds of the A county, city of the first class, city of the~~
 15 ~~second class, or incorporated town shall use the proceeds of the tax herein~~
 16 ~~authorized by this section and §§ 26-73-110 and 26-73-111 only shall be used~~
 17 ~~only to provide the following public service and purpose by a county, a city~~
 18 ~~of the first or second class, or incorporated town: Public~~ of public mass
 19 transportation systems and facilities.

20
 21 SECTION 111. Arkansas Code § 26-73-113(a)(2) is amended to read as
 22 follows to clarify its application and clarify the phrase "and/or":

23 (2) The proceeds of a tax levied under this section may be used
 24 ~~to~~ for one (1) or more of the following:

25 (A) ~~Finance the operation, maintenance and/or rental~~
 26 ~~expense of capital improvements, or a solid waste management system or part~~
 27 ~~thereof as defined in § 8-6-203, or both~~ With respect to a capital
 28 improvement, solid waste management system as defined in § 8-6-203, part of a
 29 solid waste management system as defined in § 8-6-203, or any combination of
 30 a capital improvement, solid waste management system as defined in § 8-6-203,
 31 or part of a solid waste management system as defined in § 8-6-203, financing
 32 of one (1) or more of the following:

33 (i) Operation;

34 (ii) Maintenance; or

35 (iii) Rental expense;

36 (B) ~~Secure~~ Securing the repayment of bonds by the

1 municipality or county issued under §§ 14-164-301 – 14-164-339; or

2 (C) ~~Acquire~~ Acquiring or constructing capital improvements
 3 of a public nature for no more than twenty-four (24) months; ~~or~~

4 ~~(D) Any or all of the above.~~

5
 6 SECTION 112. Arkansas Code § 26-73-113(c)(3) is amended to read as
 7 follows to clarify its application and clarify the phrase "and/or":

8 (3) ~~The provisions of this section shall~~ This section does not
 9 prohibit or affect the ability of a municipality or county from levying a
 10 sales and use tax under §§ 26-74-201 et seq., 26-74-301 et seq., 26-75-201 et
 11 seq., 26-75-301 et seq., and the Local Government Bond Act of 1985, § 14-164-
 12 301 et seq., and use using all or a portion of the proceeds ~~thereof to~~
 13 operate, maintain and/or finance capital improvements of a public nature of
 14 the sales and use tax to do one (1) or more of the following with respect to
 15 a capital improvement of a public nature:

16 (A) Operate;

17 (B) Maintain; or

18 (C) Finance.

19
 20 SECTION 113. Arkansas Code § 26-73-205 is repealed because the
 21 procedure for appealing property assessments and requesting adjustments is
 22 governed by 26-27-301 et seq.:

23 ~~26-73-205. Correction of assessments by county court.~~

24 ~~(a) At the October term of county court, and during this term, any~~
 25 ~~person who may think himself or herself aggrieved by the assessment of his or~~
 26 ~~her property may appeal to the same court and have the assessment corrected.~~

27 ~~(b) Every appeal shall be in writing and shall state specifically the~~
 28 ~~ground of the appeal and the matter or thing complained of, and no other~~
 29 ~~matter shall be considered by the court than that set forth in the written~~
 30 ~~appeal.~~

31 ~~(c) The county court shall hear and determine all appeals in a summary~~
 32 ~~way upon evidence and shall correct and adjust the assessment lists~~
 33 ~~accordingly.~~

34
 35 SECTION 114. Arkansas Code § 26-75-204(d) is amended to read as
 36 follows to correct a reference:

1 (d) The bonds shall be executed by the mayor of the city and attested
 2 by the clerk or recorder of the city, by their manual or facsimile
 3 signatures. Coupons attached to the bonds shall be executed by the facsimile
 4 signature of the mayor. In case any of the officers whose signatures appear
 5 on the bonds or coupons cease to be such officers before delivery of the
 6 bonds or coupons, their signatures shall nevertheless be valid and sufficient
 7 for all purposes. The bonds shall be sealed with the seal of the ~~county~~ city
 8 issuing the bonds.

9
 10 SECTION 115. Arkansas Code § 26-75-210(d)(1) is amended to read as
 11 follows to remove obsolete language:

12 (d)(1)~~(A)~~ ~~Beginning on the effective date of this subdivision~~
 13 ~~(d)(1)(A) and ending on the effective date of subdivision (d)(1)(B) of this~~
 14 ~~section, the effective date of any affirmative vote by the governing body of~~
 15 ~~the city to abolish the tax under subsection (a) of this section shall be on~~
 16 ~~the first day of the calendar quarter after the expiration of thirty (30)~~
 17 ~~days from the date a written statement signed by the chief executive officer~~
 18 ~~of the city abolishing the tax is filed with the Director of the Department~~
 19 ~~of Finance and Administration certifying that the governing body of the city~~
 20 ~~has adopted an ordinance abolishing the tax.~~

21 (B)(i) ~~Except as provided in subdivision (d)(1)(A) of this~~
 22 ~~section, the The effective date of any affirmative vote by the governing body~~
 23 ~~of the city to abolish the tax under subsection (a) of this section shall be~~
 24 ~~on the first day of the calendar quarter after the expiration of ninety (90)~~
 25 ~~days from the date a written statement signed by the chief executive officer~~
 26 ~~of the city abolishing the tax is filed with the director certifying that the~~
 27 ~~governing body of the city has adopted an ordinance abolishing the tax.~~

28 (ii) ~~Subdivision (d)(1)(B)(i) of this section shall~~
 29 ~~be effective on the first day of the first calendar quarter following the~~
 30 ~~effective date of the Streamlined Sales and Use Tax Agreement, which becomes~~
 31 ~~effective when at least ten (10) states comprising at least twenty percent~~
 32 ~~(20%) of the total population as determined by the 2000 Federal Decennial~~
 33 ~~Census of all states imposing a state sales tax have petitioned for~~
 34 ~~membership and have been found to be in compliance with the requirements of~~
 35 ~~the Streamlined Sales and Use Tax Agreement.~~

1 SECTION 116. Arkansas Code § 26-75-310(g)(1) is amended to read as
2 follows to remove obsolete language:

3 ~~(g)(1)(A) Beginning on the effective date of this subdivision~~
4 ~~(g)(1)(A) and ending on the effective date of subdivision (g)(1)(B) of this~~
5 ~~section, the effective date of any affirmative vote by the governing body of~~
6 ~~the city to abolish the tax under subsection (b) of this section shall be on~~
7 ~~the first day of the calendar quarter after the expiration of thirty (30)~~
8 ~~days from the date a written statement signed by the chief executive officer~~
9 ~~of the city abolishing the tax is filed with the Director of the Department~~
10 ~~of Finance and Administration certifying that the governing body of the city~~
11 ~~has adopted an ordinance abolishing the tax.~~

12 ~~(B)(i) Except as provided in subdivision (g)(1)(A) of this~~
13 ~~section, the The effective date of any affirmative vote by the governing body~~
14 ~~of the city to abolish the tax under subsection (b) of this section shall be~~
15 ~~on the first day of the calendar quarter after the expiration of ninety (90)~~
16 ~~days from the date a written statement signed by the chief executive officer~~
17 ~~of the city abolishing the tax is filed with the ~~director~~ Director of the~~
18 ~~Department of Finance and Administration certifying that the governing body~~
19 ~~of the city has adopted an ordinance abolishing the tax.~~

20 ~~(ii) Subdivision (g)(1)(B)(i) of this section shall~~
21 ~~be effective on the first day of the first calendar quarter following the~~
22 ~~effective date of the Streamlined Sales and Use Tax Agreement, which becomes~~
23 ~~effective when at least ten (10) states comprising at least twenty percent~~
24 ~~(20%) of the total population as determined by the 2000 Federal Decennial~~
25 ~~Census of all states imposing a state sales tax have petitioned for~~
26 ~~membership and have been found to be in compliance with the requirements of~~
27 ~~the Streamlined Sales and Use Tax Agreement.~~

28
29 SECTION 117. Arkansas Code § 26-75-312 is amended to add a new
30 subsection to read as follows to add language inadvertently deleted from the
31 section:

32 (d)(1) Each vendor who is liable for one (1) or more city sales or use
33 taxes shall report a combined city sales tax and a combined city use tax on
34 the vendor's sales and use tax report.

35 (2)(A) The combined city sales tax is equal to the sum of all
36 sales taxes levied by a city under this subchapter or any other provision of

1 the Arkansas Code.

2 (B) The combined city use tax is equal to the sum of all
 3 use taxes levied by a city under this subchapter or any other provision of
 4 the Arkansas Code.

5 (3) This subsection applies only to taxes collected by the
 6 Director of the Department of Finance and Administration.

7
 8 SECTION 118. Arkansas Code § 26-75-408(b) is amended to read as
 9 follows to clarify a reference:

10 (b) Any balance remaining in the ~~fund~~ special account described in
 11 subsection (a) of this section after the projects prescribed in the levying
 12 ordinance have been completed and paid for shall be used for maintenance and
 13 upkeep of municipal parks and recreational facilities.

14
 15 SECTION 119. Arkansas Code § 26-76-105(c) is amended to read as
 16 follows to correctly classify a criminal offense and clarify the criminal
 17 offense:

18 (c)(1) If ~~any a~~ county collector ~~shall fail~~ fails to make the report,
 19 the county collector shall be notified by the clerk of the county court and
 20 required to make the report, .

21 ~~(2) and for failure~~ Upon conviction, a county collector who
 22 fails to perform any of the duties required of the county collector under
 23 this act ~~shall be~~ is guilty of a ~~misdemeanor~~ violation and ~~upon conviction~~
 24 shall be fined in any sum not less than three hundred dollars (\$300) nor more
 25 than one thousand dollars (\$1,000).

26
 27 SECTION 120. Arkansas Code § 26-76-202(1)(B)(iii) is amended to read
 28 as follows to add clarifying language and make stylistic changes:

29 (iii) The exceptions in this subdivision (1) ~~shall~~
 30 ~~not be construed to~~ do not apply to what ~~is~~ are generally known as theaters
 31 comique or variety theaters; and

32
 33 SECTION 121. Arkansas Code § 26-76-204(b) is amended to read as
 34 follows to correctly classify a criminal offense and make stylistic changes:

35 (b) ~~Anyone violating any of the provisions of~~ Upon conviction, a person
 36 violating this section ~~shall be deemed guilty of a misdemeanor~~ is guilty of a

1 ~~violation~~ and, ~~upon conviction~~, shall be fined in any sum not less than one
 2 hundred dollars (\$100) nor more than three hundred dollars (\$300). Each day's
 3 violation ~~shall constitute~~ is a separate offense.

4
 5 SECTION 122. Arkansas Code § 26-76-204(c)(2) is amended to read as
 6 follows to clarify the culpable mental state of a criminal offense, correctly
 7 classify the criminal offense, and make stylistic changes:

8 (2) ~~If any~~ Upon conviction, a sheriff or constable ~~fails~~
 9 ~~willfully who knowingly fails~~ to perform any of the duties prescribed in this
 10 subsection, ~~he or she shall be deemed guilty of a misdemeanor~~ is guilty of a
 11 violation and ~~upon conviction~~ shall be punished by a fine not exceeding two
 12 hundred dollars (\$200).

13
 14 SECTION 123. Arkansas Code § 26-77-301 is repealed because it is
 15 obsolete:

16 ~~26-77-301. Vending machines.~~

17 ~~All municipal corporations may license and tax vending machines~~
 18 ~~regulated by §§ 26-57-302 [repealed], 26-57-307 — 26-57-310 [repealed], 26-~~
 19 ~~57-313 [repealed], and this section. However, the fee shall not exceed the~~
 20 ~~amount of tax imposed by these statutes.~~

21
 22 SECTION 124. Arkansas Code § 26-77-302 is amended to read as follows
 23 to remove obsolete language, clarify references, and make stylistic changes:

24 26-77-302. Amusement ~~games~~ devices and vendors.

25 ~~(a) All municipal corporations~~ A municipal corporation may license and
 26 tax amusement ~~games~~ devices defined in § 26-57-402 and vendors ~~described in~~
 27 ~~§§ 26-57-306 [repealed] and~~ of amusement devices defined in § 26-57-402.

28 ~~(b) However, the fee~~ for the license and tax shall not exceed the
 29 amount of tax imposed by ~~§§ 26-57-306 [repealed], 26-57-404, and 26-57-405.~~

30
 31 SECTION 125. Arkansas Code § 26-77-303 is amended to read as follows
 32 to remove obsolete language, clarify references, and make stylistic changes:

33 26-77-303. Coin-operated ~~amusements~~ amusement devices.

34 ~~No municipality may~~ A municipality may not levy a privilege tax on the
 35 basis of §§ 26-57-402 and 26-57-408 — 26-57-421, relating to coin-operated
 36 ~~amusements~~ amusement devices. However, ~~nothing in~~ §§ 26-57-402 and 26-57-408

1 - 26-57-421 shall be construed to do not prohibit municipalities a
 2 municipality from levying privilege taxes under other statutes of this state
 3 or under valid municipal ordinances on licensees under §§ 26-57-402 and 26-
 4 57-408 - 26-57-421, ~~under other statutes of this state, or under valid~~
 5 ~~municipal ordinances.~~

6
 7 SECTION 126. Arkansas Code § 26-78-103(a)(5) is amended to read as
 8 follows to clarify its application:

9 (5) Each levy by the county quorum court or by the governing
 10 body of the municipality shall be for collection during the calendar year
 11 next following the year in which the levy is made and, except in the case
 12 when bonds are issued as authorized, unless the levy is again made, the tax
 13 shall ~~drop~~ cease to be levied at the expiration of the calendar year for
 14 which collected and shall not again be collected until levied by the county
 15 quorum court by the time of adjournment of the regular annual session of the
 16 county quorum court or thereafter by the governing body of a municipality, as
 17 indicated.

18
 19 SECTION 127. Arkansas Code § 26-80-404 is amended to read as follows
 20 to remove obsolete language and clarify its application:

21 26-80-404. Calculation of compliance with the uniform rate of tax.

22 (a)(1) ~~Within thirty (30) days of February 10, 2004, the Commissioner~~
 23 ~~of Education shall certify to each school district whether or not that school~~
 24 ~~district is currently in compliance with the uniform rate of tax.~~

25 (2)(A) ~~Compliance shall be determined by analyzing the millage rate~~
 26 ~~levied for maintenance and operation millage from the most recent school~~
 27 ~~election in which the ad valorem tax rate was voted upon.~~

28 (B) ~~If the millage rate is equal to or greater than twenty five~~
 29 ~~(25) mills, then the school district shall be deemed to be in compliance with~~
 30 ~~Arkansas Constitution, Amendment 74.~~

31 (b)(1) ~~Within thirty (30) days of February 10, 2004, the commissioner~~
 32 ~~shall certify to each quorum court whether or not the school districts in the~~
 33 ~~quorum court's jurisdiction are in compliance with the uniform rate of tax.~~

34 (2) ~~The calculation of compliance under this subsection shall be the~~
 35 ~~same as the calculation explicated in subdivision (a)(2) of this section.~~

36 (e) On or before October 1, ~~2004,~~ and of each year thereafter, the

1 Department of Education, in conjunction with the Assessment Coordination
2 Department, shall monitor each school district's compliance with the uniform
3 rate of tax.

4 (b)(1) The Department of Education and the Assessment Coordination
5 Department shall determine compliance with the uniform rate of tax by
6 analyzing the millage rate levied for maintenance and operation millage from
7 the most recent school election in a school district in which the ad valorem
8 tax rate was voted upon.

9 (2) If the millage rate levied for maintenance and operation
10 millage is equal to or greater than twenty-five (25) mills, then the school
11 district is in compliance with the uniform rate of tax and Arkansas
12 Constitution, Amendment 74.

13
14 SECTION 128. The enactment and adoption of this act shall not repeal,
15 expressly or impliedly, the acts passed at the regular session of the 87th
16 General Assembly. All such acts shall have full effect and, so far as those
17 acts intentionally vary from or conflict with any provision contained in this
18 act, those acts shall have the effect of subsequent acts and as amending or
19 repealing the appropriate parts of the Arkansas Code of 1987.

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