

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015

A Bill

SENATE BILL 527

4
5 By: Senator A. Clark

For An Act To Be Entitled

8 AN ACT TO REQUIRE CERTAIN NOTICE AND REPORTING
9 REQUIREMENTS FOR INTERNET SALES; AND FOR OTHER
10 PURPOSES.

Subtitle

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14 TO REQUIRE CERTAIN NOTICE AND REPORTING
15 REQUIREMENTS FOR INTERNET SALES.

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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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20 SECTION 1. Arkansas Code Title 26, Subtitle 53, is amended to add an
21 additional subchapter to read as follows:

Subchapter 4 Notice and Reporting of Internet Sales Tax

26-53-401. Definitions.

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25 As used in this subchapter, "retailer" means a person doing business in
26 this state who is:

27 (1) A remote seller in another state; and

28 (2) Known to the public as a seller of goods or services.

26-53-402. Reporting – Internet sales.

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31 (a) When a purchase of five hundred dollars (\$500) or more is made by
32 an Arkansas resident from a retailer that does not collect the compensating
33 use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et
34 seq., the retailer shall notify Arkansas residents at the time of the sale
35 that:

36 (1) The purchase is subject to the compensating use tax levied



1 by the Arkansas Compensating Tax Act, § 26-53-101 et seq.; and

2 (2) The purchaser is required to file a consumer use tax form
 3 with the Sales and Use Tax Section of the Revenue Division of the Department
 4 of Finance and Administration.

5 (b)(1) Each retailer that does not collect the compensating use tax
 6 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,
 7 shall also send an annual notification to Arkansas purchasers who are
 8 entitled to notice under subsection (a) of this section by January 31 of each
 9 year.

10 (2) The notification shall contain the following information:

11 (A) The total amount paid by the purchaser in the previous
 12 calendar year;

13 (B) The date or dates of purchases;

14 (C) The amount of each purchase;

15 (D) A brief description of the item or items purchased;

16 and

17 (E) If known by the retailer, whether the purchase is
 18 exempt from the compensating use tax levied by the Arkansas Compensating Tax
 19 Act of 1949, § 26-53-101 et seq.

20 (3) The notification shall state that the state of Arkansas
 21 requires a consumer use tax form to be filed and the compensating use tax to
 22 be paid on certain purchases made by the purchaser from the retailer.

23 (4) The notification shall:

24 (A) Be sent separately to each Arkansas purchaser by
 25 first-class mail;

26 (B) Not be included with any other shipments;

27 (C) Include the words "Important Tax Document Enclosed" on
 28 the exterior of the mailing; and

29 (D) Identify the retailer.

30 (c)(1) A retailer that does not collect the compensating use tax shall
 31 file an annual statement with the Department of Finance and Administration on
 32 forms provided by the department when the purchase is:

33 (A) Five hundred dollars (\$500) or more; and

34 (B) Made by a purchaser who is entitled to notice under
 35 subsection (a) of this section.

36 (2) The annual statement shall show the total amount paid by

1 Arkansas purchasers during the preceding calendar year.

2 (3) The annual statement of the retailer shall be filed on or
3 before March 1 of each year.

4 (d) If a retailer demonstrates to the department an undue hardship for
5 complying with this section, the department may exempt the retailer from the
6 notice and reporting requirements of this section for a calendar year.

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8 26-53-403. Promulgation of rules.

9 The Director of the Department of Finance and Administration shall
10 promulgate rules and develop forms to implement the provisions of this
11 subchapter.