

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

HOUSE BILL 1512

5 By: Representative Davis  
6

## For An Act To Be Entitled

8 AN ACT CONCERNING SALES BY SELLERS THAT DO NOT HAVE A  
9 PHYSICAL PRESENCE IN THE STATE TO PURCHASERS IN THIS  
10 STATE; TO REDUCE THE INCOME TAX RATES APPLICABLE TO  
11 INDIVIDUALS, TRUSTS, AND ESTATES USING THE REVENUES  
12 DERIVED FROM THE COLLECTION OF SALES AND USE TAX FROM  
13 SELLERS THAT DO NOT HAVE A PHYSICAL PRESENCE IN THE  
14 STATE; AND FOR OTHER PURPOSES.  
15

## Subtitle

16  
17  
18 TO REDUCE THE INCOME TAX RATES APPLICABLE  
19 TO INDIVIDUALS, TRUSTS, AND ESTATES USING  
20 THE REVENUES DERIVED FROM THE COLLECTION  
21 OF SALES AND USE TAX FROM SELLERS THAT DO  
22 NOT HAVE A PHYSICAL PRESENCE IN THE  
23 STATE.  
24

25  
26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
27

28 SECTION 1. Arkansas Code § 26-51-201(e), concerning the income tax  
29 levied on individuals, trusts, and estates, is amended to read as follows:

30 (e) If the director determines that federal or state law authorizes  
31 the state to collect sales and use tax from sellers that do not have a  
32 physical presence in the state, then after the first twelve (12) months of  
33 collecting sales and use tax from sellers that do not have a physical  
34 presence in the state, the director shall:

35 (1) After making the deductions required under § 19-5-  
36 202(b)(2)(B)(i), certify to the Governor and the Office of Economic and Tax



1 Policy the amount of available net general revenues attributable to the  
2 collection of sales and use tax from sellers that do not have a physical  
3 presence in the state during the first twelve (12) months of collections;

4 (2) Use any amount under subdivision (e)(1) of this section that  
5 exceeds seventy million dollars (\$70,000,000) to reduce the rate of four and  
6 five-tenths percent (4.5%) in the table contained in subdivision (a)(7) of  
7 this section equally for all taxpayers subject to the rate of four and five-  
8 tenths percent (4.5%);

9 (3) Certify the amount of the reduction of the income tax rate  
10 under this subsection to the Governor and the Office of Economic and Tax  
11 Policy; and

12 (4) Incorporate the reduced income tax rate into the table  
13 prescribed under subsection (d) of this section, which shall be applicable  
14 for each tax year thereafter.

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36