

INTERIM STUDY PROPOSAL 2021-052

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021

A Bill

HOUSE BILL 1737

4 By: Representatives Crawford, Lundstrum

5
6 Filed with: Arkansas Legislative Council
7 pursuant to A.C.A. §10-3-217.

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9 **For An Act To Be Entitled**

10 AN ACT TO EXEMPT DELIVERY CHARGES FROM THE LEVY OF
11 SALES AND USE TAX AND THE ARKANSAS SPECIAL EXCISE
12 TAXES; AND FOR OTHER PURPOSES.

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15 **Subtitle**

16 TO EXEMPT DELIVERY CHARGES FROM THE LEVY
17 OF SALES AND USE TAX AND THE ARKANSAS
18 SPECIAL EXCISE TAXES.

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

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23 SECTION 1. Arkansas Code § 26-52-103(7), concerning the definition of
24 "delivery charge" under the Arkansas Gross Receipts Act of 1941, is amended
25 to read as follows:

26 (7)(A) "Delivery charge" means a charge by a seller of tangible
27 personal property or services for preparation and delivery to a location
28 designated by the purchaser of the tangible personal property or services,
29 including without limitation transportation, shipping, postage, handling,
30 crating, and packing.

31 ~~(B) If a shipment includes tax-exempt property and taxable~~
32 ~~property, the seller shall pay the tax imposed by this chapter only on the~~
33 ~~percentage of the delivery charge allocated to the taxable property by using:~~

34 ~~(i) A percentage based on the total sales price of~~
35 ~~the taxable property compared to the total sales price of all property in the~~
36 ~~shipment; or~~

1 ~~(ii) A percentage based on the total weight of the~~
2 ~~taxable property compared to the total weight of all property in the~~
3 ~~shipment;~~
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5 SECTION 2. Arkansas Code § 26-52-103(19)(A)(iv), concerning the
6 inclusion of a delivery charge in the definition of "gross receipts", "gross
7 proceeds", and "sales price" under the Arkansas Gross Receipts Act of 1941,
8 is repealed.

9 ~~(iv) Delivery charge;~~
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11 SECTION 3. Arkansas Code § 26-52-103(19)(B), concerning items excluded
12 from the definition of "gross receipts", "gross proceeds", or "sales price"
13 under the Arkansas Gross Receipts Act of 1941, is amended to add an
14 additional subdivision to read as follows:

15 (iv) A delivery charge;
16

17 SECTION 4. Arkansas Code § 26-53-102(19)(A)(iv), concerning the
18 inclusion of a delivery charge in the definition of "sales price" or
19 "purchase price" under the Arkansas Compensating Tax Act of 1949, is
20 repealed.

21 ~~(iv) Delivery charge;~~
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23 SECTION 5. Arkansas Code § 26-53-102(19)(B), concerning items excluded
24 from the definition of "sales price" or "purchase price" under the Arkansas
25 Compensating Tax Act of 1949, is amended to add an additional subdivision to
26 read as follows:

27 (iv) A delivery charge;
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29 SECTION 6. Arkansas Code § 26-63-102(3)(A)(iv), concerning the
30 inclusion of delivery charges in the definition of "gross receipts" or "gross
31 proceeds" under Arkansas Special Excise Taxes, is repealed.

32 ~~(iv) Delivery charge;~~
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34 SECTION 7. Arkansas Code § 26-63-102(3)(B), concerning items excluded
35 from the definition of "gross receipts" and "gross proceeds" under Arkansas

1 Special Excise Taxes, is amended to add an additional subdivision to read as
2 follows:

3 (iv) A delivery charge;
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5 SECTION 8. EFFECTIVE DATE. Sections 1-7 of this act are effective on
6 the first day of the calendar quarter following the effective date of this
7 act.
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10 Referred requested by the Arkansas House of Representatives

11 Prepared by: MBM/KFW
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