

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

# A Bill

SENATE BILL 527

5  
6 By: Senator A. Clark

7 Filed with: Senate Committee on Revenue and Taxation  
8 pursuant to A.C.A. §10-3-217.

## For An Act To Be Entitled

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

## Subtitle

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

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

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

24 Subchapter 4 Notice and Reporting of Internet Sales Tax

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26 26-53-401. Definitions.

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

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

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

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32 26-53-402. Reporting – Internet sales.

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

1 seq., the retailer shall notify Arkansas residents at the time of the sale  
2 that:

3 (1) The purchase is subject to the compensating use tax levied  
4 by the Arkansas Compensating Tax Act, § 26-53-101 et seq.; and

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

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

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

14 (A) The total amount paid by the purchaser in the previous  
15 calendar year;

16 (B) The date or dates of purchases;

17 (C) The amount of each purchase;

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

19 and

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

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

26 (4) The notification shall:

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

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

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

32 (D) Identify the retailer.

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

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

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

3                   (2) The annual statement shall show the total amount paid by  
4 Arkansas purchasers during the preceding calendar year.

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

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

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11                   26-53-403. Promulgation of rules.

12                   The Director of the Department of Finance and Administration shall  
13 promulgate rules and develop forms to implement the provisions of this  
14 subchapter.

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17 Referred by the Arkansas Senate

18 Prepared by: VJF

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