

ARKANSAS SENATE
86th General Assembly - Regular Session, 2007
Amendment Form

Subtitle of Senate Bill No. 15

"TO REMOVE MINI-WAREHOUSE AND SELF- STORAGE RENTAL SERVICES AS
SERVICES SUBJECT TO THE ARKANSAS GROSS RECEIPTS ACT OF 1941."

Amendment No. 3 to Senate Bill No. 15.

Amend Senate Bill No. 15 as originally introduced:

Page 1, delete lines 10 through 13 of the TITLE in its entirety and substitute the following:

"AN ACT TO REPLACE THE GROSS RECEIPTS TAX ON MINI-WAREHOUSE AND SELF-STORAGE RENTAL SERVICES WITH A SPECIAL EXCISE TAX TO BE PHASED OUT IN THREE YEARS; AND FOR OTHER PURPOSES."

AND

Page 1, delete lines 16 through 19 of the SUBTITLE in its entirety and substitute the following:

"TO REPLACE THE GROSS RECEIPTS TAX ON MINI-WAREHOUSE AND SELF-STORAGE RENTAL SERVICES WITH A SPECIAL EXCISE TAX TO BE PHASED OUT IN THREE YEARS."

AND

Page 1, line 23, add the following new section:

"SECTION 1. Title 26 of the Arkansas Code is amended to add a new chapter to read as follows:

SUBCHAPTER 1 – GENERAL PROVISIONS

26-64-101. Title.

This chapter shall be known and may be cited as "Arkansas Special Excise Tax on Mini-Warehouse and Self-Storage Rental Services".

26-64-102. Definitions.

As used in this chapter:

(a)(1) "Mini-warehouse and self-storage rental services" means providing a secured area such as a building, a room in a building, locker, compartment, container, or a secured area within a building for the purpose of storing tangible personal property in which the consumer customarily stores and removes the consumer's tangible personal property on a self-service basis. This term includes, but is not limited to, storage lockers or storage units in apartment complexes (if the locker or unit is utilized at the option of a tenant upon payment of a fee in addition to the apartment



rental), amusement parks, water parks, recreational facilities, and other public locations where lockers are rented for self-storage.

(2) "Mini-warehouse and self-storage rental services" shall not include:

(A) General warehousing and storage, where the warehouse is engaged in the operation of receiving, handling, and storing property for others using the warehouse's staff and equipment, and does not allow the consumer of the service separate access to the storage area used to hold the property; and

(B) Storage incidental to the lease of real property used for purposes other than the storage of tangible personal property.

(b) "Director" means the Director of the Department of Finance and Administration, or any of his or her authorized agents;

(c) "Gross receipts" or "gross proceeds" means the total amount of consideration for the sale of tangible personal property and such services as are provided for in this act, whether the consideration is in money or otherwise, without any deduction on account of the cost of the properties sold, labor service performed, interest paid, losses, or any expenses whatsoever.

26-64-103. Tax additional to other taxes.

The tax levied by this chapter shall be in addition to any other tax except as otherwise provided in this chapter.

26-64-104. Administration - Rules and regulations.

(a) The Director of the Department of Finance and Administration shall administer this chapter.

(b) The director shall prescribe forms and promulgate rules for the proper enforcement of this chapter, including without limitation the manner and time the taxes levied by this chapter shall be collected, reported, and paid, and how a sale will be sourced.

26-64-105. Disposition of taxes, interest, and penalties.

The taxes levied in this chapter, including any associated interest, penalties and costs levied pursuant to Arkansas law, shall be distributed as follows:

(a) Seventy-six and six-tenths percent (76.6%) of the tax, interest, penalties, and costs received by the Director of the Department of Finance and Administration shall be deposited as general revenues;

(b) Eight and one-half percent (8.5%) of the tax, interest, penalties, and costs received by the director shall be deposited into the Property Tax Relief Trust Fund; and

(c) Fourteen and nine-tenths percent (14.9%) of the tax, interest, penalties, and costs received by the director shall be deposited into the Educational Adequacy Fund.

SUBCHAPTER 2 – REGISTRATION – DISCOUNT – EXEMPTION -- PROCEDURES.

26-64-201. Registration required.

(a) It is unlawful for any taxpayer to transact business within this state prior to registering with the Director of the Department of Finance and Administration.

(b) The director may promulgate rules to implement this section.

26-64-202. Discount for prompt payment.

A taxpayer filing a report for a tax due under this chapter is eligible for the discount for prompt payment pursuant to § 26-52-503.

26-64-203. Exemptions generally.

A tax levied by this chapter is exempted from taxation in the same manner as the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

26-64-204. Applicability of tax procedure provisions.

Any proceeding related to the registration, collection, reporting, payment, or protest of the taxes levied under this chapter is governed by the Arkansas Tax Procedure Act, § 26-18-101 et seq.

SUBCHAPTER 3. SPECIAL EXCISE TAX ON MINI-WAREHOUSE AND SELF-STORAGE RENTAL SERVICES.

26-64-301. Tax Levied.

(a)(1) Beginning July 1, 2007, there is levied an excise tax on the gross receipts or gross proceeds derived from mini-warehouse and self-storage rental services at the rate of four and one-half percent (4.5%).

(2) Beginning July 1, 2008, the tax levied in subdivision (a)(1) of this section shall be levied at the rate of three percent (3%).

(3) Beginning July 1, 2009, the tax levied in subdivision (a)(1) of this section shall be levied at the rate of one and one-half percent (1.5%).

(4) Beginning July 1, 2010, the tax levied in subdivision (a)(1) of this section shall be levied at the rate of zero percent (0%)."

AND

Page 1, delete lines 24 and 25, and substitute the following:

"SECTION 2. Effective July 1, 2007, Arkansas Code § 26-52-316(a) is amended to read as follows:"

AND

Page 2, line 18, add the following section:

"SECTION 3. EMERGENCY CLAUSE. It is found and determined by the Eighty-Sixth General Assembly that mini-warehouse and self-storage businesses provide the citizens of the State of Arkansas with an affordable, convenient alternative for safely storing family and business records, in effect creating an extension of the family home or apartment; that the gross receipts tax on such services unfairly targets the poor and middle classes of the State who are less able to safely store such items at their residences or at the site of their small businesses; that the gross receipts tax on such services in effect places a recurring tax burden for the storage of items on which the tax was long ago paid by the consumer; and that the rate reduction and eventual elimination provided by this special excise tax are necessary to alleviate this burden. Therefore, an emergency is declared to exist, and this act, being immediately necessary for the preservation of the public peace, health and safety, shall become effective July 1, 2007."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Glover

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Secretary