

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

Subtitle of Senate Bill No. 792

"TO AMEND THE SALES AND USE TAX LAW TO PROVIDE CONSISTENCY WITH THE
STREAMLINED SALES AND USE TAX AGREEMENT."

Amendment No. 1 to Senate Bill No. 792.

Amend Senate Bill No. 792 as originally introduced:

Page 1, delete SECTION 1 in its entirety and substitute the following:

"SECTION 1. Arkansas Code § 26-52-521 [Effective January 1, 2008.], concerning the sourcing of sales, is amended to add an additional subsection to read as follows:

"(i) The Director of the Department of Finance and Administration shall have the authority to delay the implementation of the destination sourcing rules in this section until July 1, 2009, as those sourcing rules relate to florists if the director determines that:

(1) The Streamlined Sales Tax Governing Board has changed or postponed the destination sourcing requirement for florists; and

(2) The director determines that such delay is necessary to prevent undue hardship for Arkansas florists.

SECTION 2. Arkansas Code § 26-52-315(b) [Effective January 1, 2008], concerning telecommunications services as amended by Act 181 of 2007, is amended to read as follows:

(b) The following services shall not be taxable under this section:

(1) Any interstate or international private communications service;

(2) Any interstate or international 800 service or 900 service; or

(3)(A) Any prepaid calling service or prepaid wireless calling service.

(B) However, prepaid calling service ~~is~~ and prepaid wireless calling service are taxed under § 26-52-314.

SECTION 3. Arkansas Code § 26-52-401(3), concerning the exemption for non-profit schools as amended by Act 181 of 2007, is amended to read as follows:

(3) Gross receipts or gross proceeds derived from the sale of food or food ingredients or prepared food in public, common, high school, or college cafeterias and lunch rooms operated primarily for teachers and pupils, not



operated primarily for the public and not operated for profit;

SECTION 4. Arkansas Code § 26-52-431, concerning timber harvesting equipment, is amended to add a new subsection as follows:

26-52-431. Timber harvesting equipment.

(e)(1) The exemption provided by this section may be administered as a rebate.

(2) The Director of the Department of Finance and Administration is authorized to promulgate rules to administer this exemption in the form of a rebate.

SECTION 5. Arkansas Code § 26-52-433(b)(1) and (2) [Effective January 1, 2008], concerning sales tax exemptions for disposable medical supplies and durable medical equipment as amended by Act 181 of 2007, are amended to read as follows:

(b) As used in this section:

(1) "Disposable medical supplies" includes without limitation the following:

(A) Ostomy, urostomy, and colostomy supplies;

~~(B) Catheters;~~

~~(C)(B)~~ Enemas, suppositories, and laxatives used in routine bowel care; and

~~(D)(C)~~ Disposable undergarments and linen savers;

(2)(A) "Durable medical equipment" means equipment, including repair and replacement parts for the equipment that:

(i) Can withstand repeated use;

(ii) Is primarily and customarily used to serve a medical purpose;

(iii) Generally is not useful to a person in the absence of illness or injury; ~~and~~

(iv) Is not worn in or on the body; ~~and~~

(v) Is for home use.

(B) "Durable medical equipment" does not include mobility-enhancing equipment;

SECTION 6. Arkansas Code § 26-53-141(b)(1) and (2) [Effective January 1, 2008], concerning exemptions for disposable medical supplies and durable medical equipment as amended by Act 181 of 2007, are amended to read as follows:

(b) As used in this section:

(1) "Disposable medical supplies" includes without limitation the following:

(A) Ostomy, urostomy, and colostomy supplies;

~~(B) Catheters;~~

~~(C)(B)~~ Enemas, suppositories, and laxatives used in routine bowel care; and

~~(D)(C)~~ Disposable undergarments and linen savers;

(2)(A) "Durable medical equipment" means equipment including repair and replacement parts for the equipment that:

(i) Can withstand repeated use;

(ii) Is primarily and customarily used to serve a medical purpose;

(iii) Generally is not useful to a person in the absence of illness or injury; ~~and~~

(iv) Is not worn in or on the body; and

(v) Is for home use.

(B) "Durable medical equipment" does not include mobility-enhancing equipment;

SECTION 7. Sections 1 - 6 of this act will become effective on January 1, 2008."

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

By: Senator Hill

MMC/RCK - 03-20-2007 09:37

MMC164

Secretary