

Hall of the House of Representatives

88th General Assembly - Regular Session, 2011

Amendment Form

Subtitle of House Bill No. 2153

TO REPLACE THE GROSS RECEIPTS AND COMPENSATING USE TAX ON WRECKER
AND TOWING SERVICES WITH AN EXCISE TAX ON WRECKER AND TOWING
SERVICES.

Amendment No. 1 to House Bill No. 2153

Amend House Bill No. 2153 as originally introduced:

Delete everything after the enacting clause and substitute:

"SECTION 1. Arkansas Code § 26-52-301(3)(D), regarding the levy of the gross receipts tax, is amended to read as follows:

(D)(i) Service of:

(a) Providing transportation or delivery of money, property, or valuables by armored car;
(b) Providing cleaning or janitorial work;
(c) Pool cleaning and servicing;
(d) Pager services;
(e) Telephone answering services;
(f) Lawn care and landscaping services;
(g) Parking a motor vehicle or allowing the motor vehicle to be parked;
(h) Storing a motor vehicle;
(i) Storing furs; and
(j) Providing indoor tanning at a tanning salon.

(ii) As used in subdivision (3)(D)(i) of this section:

(a) "Landscaping" means the installation, preservation, or enhancement of ground covering by planting trees, bushes and shrubbery, grass, flowers, and other types of decorative plants;

(b) "Lawn care" means the maintenance, preservation, or enhancement of ground covering of nonresidential property and does not include planting trees, bushes and shrubbery, grass, flowers, and other types of decorative plants; ~~and~~

(c) "Residential" means a single family residence used solely as the principal place of residence of the owner; and



(d) "Storing a motor vehicle" does not include storage after the vehicle has been towed or removed if the storage is subject to the Excise Tax on Wrecker, Towing, and Storage Services Act, § 26-63-501 et seq.

SECTION 2. Arkansas Code § 26-52-316(a), regarding services subject to the gross receipts tax, is amended to read as follows:

(a) The gross proceeds or gross receipts derived from the following services are subject to this chapter:

- ~~(1) Wrecker and towing services;~~
- ~~(2)(1)~~ Collection and disposal of solid wastes;
- ~~(3)(2)~~ The cleaning of parking lots and gutters;
- ~~(4)(3)~~ Dry cleaning and laundry services;
- ~~(5)(4)~~ Industrial laundry services;
- ~~(6)(5)~~ Body piercing, tattooing, and electrolysis services;
- ~~(7)(6)~~ Pest control services;
- ~~(8)(7)~~ Security and alarm monitoring services;
- ~~(9)(8)~~ Boat storage and docking fees;
- ~~(10)(9)~~ The furnishing of camping spaces or trailer spaces at public or privately owned campgrounds, except for federal campgrounds, on less than a month-to-month basis;
- ~~(11)(10)~~ Locksmith services; and
- ~~(12)(11)~~ Pet grooming and kennel services.

SECTION 3. Arkansas Code Title 26, Chapter 63, is amended to add an additional subchapter to read as follows:

Subchapter 5 –
Excise Tax on Wrecker, Towing, and Storage Services Act

26-63-501. Title.

This subchapter is known and may be cited as the "Excise Tax on Wrecker, Towing, and Storage Services Act".

26-63-502. Definitions.

As used in this subchapter:

(1) "Administrative services" means the administrative activities related to providing wrecker and towing services and includes:

- (A) Labor services for cargo recovery;
- (B) Removal of debris;
- (C) Providing statutory notices; and
- (D) Processing of paperwork;

(2) "Storage services" means the impounding or holding of a vehicle, trailer, or semitrailer related to providing wrecker and towing services; and

(3)(A) "Wrecker and towing services" means the pushing, pulling, carrying, or hoisting of any vehicle, trailer, or semitrailer from an initial point of service to some other destination.

(B) "Wrecker and towing services" includes the rendering, furnishing, or performing of a removal service on a damaged, disabled, immovable, or nonoperable vehicle, trailer, or semitrailer from a location such as a ditch, pond, hole, or other place before towing.

(C) "Wrecker and towing services" does not include the transportation of a motor vehicle to or from a new or used car dealership for the purpose of placing the motor vehicle into inventory for sale or returning the motor vehicle to an automobile auction for sale.

26-63-503. Tax levied.

(a) In lieu of the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., there is levied a wrecker, towing, administration, and storage tax at the rate of ten percent (10%) on the gross proceeds or gross receipts derived from the following:

(1) The furnishing of wrecker and towing services when both the origin and destination of towing services are performed within this state;

(2) The furnishing of storage services within this state; and

(3) Administrative services performed in this state.

(b) Except as provided under the Arkansas Constitution or federal law, an exemption under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., does not apply to this subchapter.

SECTION 4. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended to add an additional section to read as follows:

26-52-444. Limitation on gross receipts tax on sale of tow vehicle.

(a) As used in this section, "tow vehicle" means a vehicle subject to registration under § 27-14-601(a)(3)(J)(i) that is used exclusively to tow, recover, upright, transport, or otherwise facilitate the movement of other vehicles on public highways, roads, and streets.

(b) The gross receipts or gross proceeds in excess of nine thousand one hundred fifty dollars (\$9,150) derived from the sale of a tow vehicle to a person engaged in the business of providing wrecker and towing services who is licensed by the Arkansas Towing and Recovery Board under § 27-50-1201 et seq. are exempt from taxation under:

(1) The gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.;

(2) The compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.; and

(3) Any municipal or county sales tax."

The Amendment was read
By: Representative D. Altes
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Chief Clerk