

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1461

Bill Subtitle: TO AMEND SALES AND USE TAX LAWS TO CONFORM TO THE STREAMLINED SALES AND USE TAX AGREEMENT.

Basic Change :

Representative Linck

The bill amends Arkansas sales tax provisions to correct a typographical error and to add language omitted in the initial Arkansas Streamlined Sales Tax legislation. Act 1273 of 2003, failed to include language regarding effective dates of local sales tax rate and boundary changes for printed catalog sellers who print the tax rates in their catalogs for use with the included catalog order forms. The Streamlined Agreement allows such sellers 120 days to correct their catalogs and list any revised tax rates. The bill amends § 14-164-333 to add the necessary language. Also, language in the original 2002 Streamlined Sales Tax Agreement referencing "prepaid wireless calling service" included a typographical error. Ark. Code Ann. § 26-52-314(b)(3) contains the error and states that prepaid wireless calling services are "sold in predetermined units of dollars". The correct language is "sold in predetermined units or dollars". The bill will correct the typographical error in the Arkansas tax laws. This bill will maintain Arkansas' compliance with the Streamlined Agreement.

Revenue Impact :

None

Taxpayer Impact :

None

Resources Required :

None

Time Required :

None

Procedural Changes :

None

Other Comments :

None

Legal Analysis :

HB1461 conforms Arkansas sales and use tax law to the requirements of Streamlined Sales and Use Tax Agreement. Section 1 concerning the effective dates for the imposition and termination of a local sales and use tax levy for capital improvement bonds amends current law to clearly provide for the Agreement's required effective dates for catalog sales and boundary changes. The need to amend the Local Government Bond Act to make the effective dates clear was identified during the Streamline compliance review conducted in September 2011 by the Governing Board.

Section 2 makes a minor technical correction to the prepaid wireless calling service definition by replacing the word "of" with the word "or." The Agreement was amended in May 2011 to correct this typographical error so this change in Arkansas law mirrors the language in the Agreement.