

2 State of Arkansas
3 89th General Assembly
4 Regular Session, 2013

A Bill

HOUSE BILL 1206

5
6 By: Representative Lowery

7 Filed with: Interim House 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 CLARIFY THE SALES TAX TREATMENT OF SERVICE
11 FEES AND DEDUCTIBLES CHARGED PURSUANT TO A CONTRACT;
12 AND FOR OTHER PURPOSES.

Subtitle

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15 TO CLARIFY THE SALES TAX TREATMENT OF
16 SERVICE FEES AND DEDUCTIBLES CHARGED
17 PURSUANT TO A CONTRACT.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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23 SECTION 1. Arkansas Code § 26-52-301(7), concerning the gross receipts
24 tax charged on sales of goods and services, is amended to read as follows:

25 (7)(A) Contracts, including service contracts, maintenance
26 agreements, and extended warranties, ~~which~~ that in whole or in part provide
27 for the future performance of or payment for services ~~which~~ that are subject
28 to gross receipts tax.

29 (B) The seller of the contract ~~must~~ shall collect and
30 remit the tax due on the sale of the contract except when the contract is
31 sold simultaneously with a motor vehicle in which case the purchaser of the
32 vehicle shall pay gross receipts tax on the purchase of the contract at the
33 time of vehicle registration; ~~and.~~

34 (C) However, the gross receipts tax levied in this section
35 does not apply to a trade service fee or deductible, regardless of the manner

1 of collection, that is charged pursuant to a contract that is subject to the
2 gross receipts tax levied in this section; and

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4 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the
5 first day of the calendar quarter following the effective date of this act.

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8 Referred by the Arkansas House of Representatives

9 Prepared by: JLL/VJF

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