

State of Arkansas
76th General Assembly
Regular Session, 1987
By: Representative Mahony

HOUSE BILL 1389

"AN ACT TO REQUIRE COLLECTION OF THE ARKANSAS COMPENSATING (USE) TAX BY OUT-OF-STATE VENDORS WHO SOLICIT ARKANSAS SALES BY MEANS OF ADVERTISEMENTS IN NEWSPAPERS, MAIL ORDER OR CATALOG PUBLICATIONS, RADIO OR TELEVISION; TO REQUIRE COLLECTION OF THE ARKANSAS GROSS RECEIPTS TAX BY PROVIDERS OF INTERSTATE TELECOMMUNICATIONS SERVICES; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Upon the effective date of this Act, every out-of-state vendor who engages in business in this State through the continuous, regular or systematic solicitation of retail sales by advertisement in the newspaper, radio or television media operating within this State, or through mail order or catalog publications, shall be required to register as a vendor and collect, report and remit the Arkansas Compensating (Use) Tax pursuant to Act 487 of 1949, as amended [Ark. Stat. Ann. §84-3101 et seq.]. Every such vendor shall be required to so register and collect, report and remit the tax even though such vendor's only activity is the solicitation of retail sales by advertisement as described herein.

SECTION 2. Subsection (c)(1) of Section 3 of Act 386 of 1941, as amended [Ark. Stat. Ann. §84-1903(c)(1)], is hereby amended to read as follows:

"(c)(1) Service by telephone, telecommunications and telegraph companies to subscribers or users, including transmission of messages or images, whether local or long distance. This shall include all service and rental charges having any connection with transmission of any message or image. The tax levied hereunder shall be imposed upon all long distance services, including:

(A) Services which originate and terminate within this State and are

billed or charged to an Arkansas telephone number or customer location within Arkansas.

(B) Services which originate but do not terminate in this State and are billed or charged to an Arkansas telephone number or customer location within Arkansas.

(C) Services which terminate but do not originate in this State and are billed or charged to an Arkansas telephone number or customer location within Arkansas.

(D) All other services billed or charged to an Arkansas telephone number or customer location within Arkansas.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. It has been determined by the General Assembly of the State of Arkansas that in-state sellers of property and services are being discriminated against as a result of out-of-state vendors, who solicit sales by advertisements, not being required to collect and pay to the State compensating (use) tax upon such sales; that providers of interstate telecommunication services are not collecting and remitting the gross receipts tax on certain services which should be subjected to the gross receipts tax; that, as a result of the foregoing, this State is being deprived of much-needed revenue to which it is rightfully entitled. Therefore, an emergency is hereby declared to exist and this Act, being necessary for the immediate preservation of the public health, safety and welfare, shall be in effect from the date of its passage and approval.

