

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1189

By: Representatives Matthews, Mahony, Dowd, and Parkerson

For An Act To Be Entitled

"AN ACT TO LEVY AN ANNUAL TAX OF ONE HUNDRED TEN DOLLARS (\$110.00) ON THE PRIVILEGE OF ENGAGING IN PROFESSIONAL PRACTICE AS A PHYSICIAN, DENTIST, OPTOMETRIST, CHIROPRACTOR, PSYCHOLOGIST, ACCOUNTANT, ARCHITECT, ENGINEER, REAL ESTATE BROKER, SECURITIES DEALER, ATTORNEY, OR VETERINARIAN; AND FOR OTHER PURPOSES."

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

SECTION 1. It is hereby found and determined by the General Assembly that in recent years the Arkansas gross receipts tax has been expanded to cover charges for various personal services such as the repair, alteration, refinishing, and cleaning of motor vehicles, boats, aircraft, household appliances, office machines and equipment and computer hardware, as well as many other services; that the gross receipts tax has not been expanded to include the fees or other charges of doctors, lawyers, accountants, and other professionals; that it does not appear to be practical to levy a gross receipts tax on the fees of such professionals but that it would be more appropriate to levy on such professionals a flat annual tax for the privilege of engaging in their various professions. Therefore, it is the purpose of this act to levy a flat annual tax on the privilege of engaging in professional practice as a physician, dentist, optometrist, chiropractor, psychologist, accountant, architect, engineer, real estate broker, securities dealer, attorney, or veterinarian in lieu of the levy of the Arkansas gross receipts tax on services provided by such professionals.

SECTION 2. For purposes of this act, the following terms shall have the following meanings:

(a) "Professional" shall mean and include any person required to be

licensed or registered in this state as a physician, dentist, optometrist, chiropractor, psychologist, accounting, architect, engineer, real estate broker, securities dealer, attorney or veterinarian.

(b) "Physician" means any person required to be licensed to practice medicine pursuant to Ark. Code Ann. §§ 17-93-401 - 17-93-411(1987).

(c) "Dentist" means any person required to be licensed to practice dentistry under Ark. Code Ann. §§ 17-82-301 - 17-82-317(1987).

(d) "Optometrist" means any person required to be licensed to engage in the practice of optometry under Ark. Code Ann. §§ 17-89-301 - 17-89-306(1987).

(e) "Chiropractor" means any person required to be licensed to practice chiropractic under Ark. Code Ann. §§ 17-81-301 - 17-81-315(1987).

(f) "Psychologist" means any person required to be licensed to engage in the practice of psychology under Ark. Code Ann. §§ 17-96-301 - 17-96-311(1987).

(g) "Accountant" means any person required to be licensed to engage in the practice of public accounting under Ark. Code Ann. §§ 17-12-501 - 17-12-507(1987).

(h) "Architect" means any person required to be licensed to engage in the practice of architecture under Ark. Code Ann. §§ 17-14-301 - 17-14-311(1987).

(i) "Engineer" means any person required to be registered to engage in the practice of engineering under Ark. Code Ann. §§ 17-27-301 - 17-27-304(1987).

(j) "Real Estate Broker" means any person required to be licensed under Ark. Code Ann. §§ 17-25-301 - 17-35-313(1987) to engage in the practice of buying or transacting in real estate as defined by Ark. Code Ann. § 17-35-101 (a) (1) (1987).

(k) "Securities Dealer" means any person required to be licensed or registered to engage in the business of effecting transactions in securities under Ark. Code Ann. § 23-42-301 - 23-42-308(1987)

(l) "Attorney" means any person required to be licensed to engage in the practice of law under Rule 12 of the rules of the Arkansas Supreme Court regulating professional conduct of attorneys at law.

(m) "Veterinarian" means any person required to be licensed to engage in the practice of veterinary medicine under Ark. Code. Ann. §§ 17-99-301 - 17-99-312 (1987).

(n) "Commissioner" means the Commissioner of Revenues of the Department of Finance and Administration, State of Arkansas, or any of his authorized agents.

SECTION 3. There is hereby levied a tax in the amount of one hundred ten dollars (\$110.00) per year upon the privilege of engaging in practice as a physician, dentist, optometrist, chiropractor, psychologist, accountant, architect, engineer, real estate broker, securities dealer, attorney, or veterinarian.

SECTION 4. The tax levied by this act shall be remitted to the Commissioner, and reported on forms prescribed by the Commissioner. The tax shall be due on December 1 for the privilege of engaging in practice as a professional during the next calendar year. Any person first registered, licensed, renewed or reinstated as a professional in this state on or after January 1 of any calendar year after 1989 shall pay the full amount of tax, prior to being registered, issued, renewed or reinstated a license to practice as a professional. No proration will be made for periods of less than twelve (12) months.

SECTION 5. (a) The Commissioner will furnish a receipt for payment of the tax to the professional. The professional must present the receipt for payment of the tax to the appropriate licensing authority prior to issuance, reinstatement or renewal of a license or registration. No license or registration shall be issued, renewed or reinstated without proof of payment of the tax.

(b) Failure by any professional to pay the tax as required hereunder shall be grounds for denial or revocation of such person's registration or license. Upon notification by the Commissioner to the licensing or registration authority of a professional's failure to pay the tax, the license or registration authority shall suspend the professional's registration or license.

(c) Failure of any professional to pay the tax before January 1 of the year following the date on which payment is due shall result in a penalty of fifty-five dollars (\$55.00) being assessed against such person in addition to the tax.

SECTION 6. The tax levied by this act shall be administered pursuant to the Arkansas Tax Procedure Act, Ark. Code Ann. §§ 26-18-101 et seq., except for penalty provisions provided in Ark. Code Ann. § 26-18-208(1) and (2). The Commissioner may release tax information to licensing and registration authorities and the authorities may use the information in the administration of this act.

SECTION 7. All taxes and penalties collected by the Commissioner under the provisions of this act shall be general revenues and shall be deposited in the State Treasury to the credit of the State Apportionment Fund.

SECTION 8. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 9. All laws and parts of laws in conflict with this Act are hereby repealed.