

State of Arkansas

77th General Assembly                      A Bill

SENATE BILL

Third Extraordinary Session, 1989

CALL ITEM 98                      65

By: Senators Dowd, Gordon, Beebe, Chaffin, Jewell,  
Gibson, Hopkins, Wilson and Russ

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE ANNOTATED §§ 26-52-503 AND  
26-52-512 TO LIMIT THE DISCOUNT FOR PROMPT REMITTANCE OF  
SALES TAX TO TEN THOUSAND DOLLARS (\$10,000) PER YEAR FOR ANY  
TAXPAYER; TO AMEND ARKANSAS CODE ANNOTATED §§ 26-52-501(g),  
26-52-503, AND 26-52-512 TO ESTABLISH A PENALTY FOR  
DELINQUENT PAYMENT OF SALES TAX; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code Annotated § 26-52-501(g) is hereby amended to read as follows:

"(g) If not paid on or before the twentieth of that month, the tax shall be delinquent from that date. In the case of a taxpayer's failure to pay tax on or before the twentieth day of the month as required by this section, there shall be added to the amount required to be shown as tax on the return a penalty at the rate of two percent (2%) per month of the amount of the tax, until the first day of the following month. If the required tax is not paid by the first day of that following month, the penalty provisions of the Arkansas Tax Procedure Act, Arkansas Code Annotated § 26-18-101 et seq., shall thereafter apply."

SECTION 2. Arkansas Code Annotated § 26-52-503 is hereby amended to read as follows:

"26-52-503. Discount for prompt payment.

(a) At the time of transmitting the returns required under this act to the director, the taxpayer shall remit therewith to the director ninety-eight percent (98%) of the tax due under the applicable provisions of this act.

(b) Failure of the taxpayer to remit such tax on or before the twentieth day of such applicable month shall cause the taxpayer to forfeit his claim to

the discount, and he must remit to the director one hundred percent (100%) of the amount of tax plus any penalty and interest due.

(c) For tax payments made on and after January 1, 1990, a taxpayer's discount for remitting tax on or before the dates required therefor shall be limited to an aggregate sum of ten thousand dollars (\$10,000) for each twelve-month period beginning January 1, 1990 and ending on December 31 of each year. The limit for each twelve-month period provided herein shall be reached when discount amounts retained by the taxpayer with respect to all places of business and all permits of the taxpayer total ten thousand dollars (\$10,000). In the case of a taxpayer who owns fifty percent (50%) or more of one or more businesses, the taxpayer's discount limit shall be reached when the sum of the discounts received by the various businesses during the year equal ten thousand dollars (\$10,000). The limit provided herein shall not apply to the discount for remittance of gross receipts taxes levied by cities and counties.

(d) In the case of a taxpayer's failure to pay tax on or before the twentieth day of the month as required by this section, there shall be added to the amount required to be shown as tax on the return a penalty at the rate of two percent (2%) per month of the amount of the tax, until the first day of the following month. If the required tax is not paid by the first day of that following month, the penalty provisions of the Arkansas Tax Procedure Act, Arkansas Code Annotated § 26-18-101 et seq. shall thereafter apply."

SECTION 3. Arkansas Code Annotated § 26-52-512 is hereby amended to read as follows:

"26-52-512. Tax payments by retailers.

(a) All retailers within the State of Arkansas registered to collect the Arkansas gross receipts tax and having average net sales of more than two hundred thousand dollars (\$200,000) per month for the preceding calendar year shall make two (2) tax payments for the current calendar month. Each payment shall be equal to forty percent (40%) of the tax due on the monthly average net sales on or before the twelfth and twenty-fourth of each month. The balance of actual collections for the month shall be remitted with the monthly gross receipts tax report due by the twentieth day of the following month.

(b) Each taxpayer required to make deposits of tax due under subsection (a) of this section shall be entitled to a two percent (2%) discount on each

payment postmarked on or before the date required for the payment. Any payment postmarked after the date required for the payment shall not be entitled to the two percent (2%) discount.

(c) For any report or deposit required under subsection (a) of this section, the due date of which falls on a Saturday, Sunday, or legal holiday, the report shall be postmarked on the next succeeding business day which is not a Saturday, Sunday, or legal holiday.

(d) For the purpose of this section, the term 'average net sales' shall mean total gross proceeds or gross receipts as defined in the Arkansas Gross Receipts Act, § 26-52-101 et seq., less any deductions allowed by the Arkansas Gross Receipts Act.

(e) For tax payments made on and after January 1, 1990, a taxpayer's discount for remitting tax on or before the dates required therefor shall be limited to an aggregate sum of ten thousand dollars (\$10,000) for each twelve-month period beginning January 1, 1990 and ending on December 31 of each year. The limit for each twelve-month period provided herein shall be reached when discount amounts retained by the taxpayer with respect to all places of business and all permits of the taxpayer total ten thousand dollars (\$10,000). In the case of a taxpayer who owns fifty percent (50%) or more of one or more businesses, the taxpayer's discount limit shall be reached when the sum of the discounts received by the various businesses during the year equal ten thousand dollars (\$10,000). The limit provided herein shall not apply to the discount for remittance of gross receipts taxes levied by cities and counties.

(f) If the tax payment required by this section is not paid on or before the date required by this section, a penalty shall apply at the rate of two percent (2%) per month on the portion of that tax not paid when due. This penalty shall apply from the date the tax payment was due until the first day of the month following the date that the balance of actual collections for the month was to be remitted. If the required tax is not paid by the first day of that following month, the penalty provisions of the Arkansas Tax Procedure Act, Arkansas Code Annotated § 26-18-101 et seq., shall thereafter apply."

SECTION 4. All additional net revenues collected as a result of the provisions of this act shall be used exclusively for law enforcement,

education, rehabilitation and related programs.

SECTION 5. 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 6. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 7. EMERGENCY. It is hereby found and determined by the General Assembly that the state of Arkansas is in serious need of additional revenue for the purpose of funding critical drug education and enforcement programs and other essential programs and services required by the citizens of the state, and the provisions of this act are necessary to raise needed revenue. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.