

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: H2/26/97

A Bill

HOUSE BILL 1672

4
5 By: Representative Courtway

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 26-52-512 TO ALLOW
10 TAXPAYERS THE OPTION OF PREPAYING EIGHTY PERCENT (80%) OF
11 THE CURRENT MONTHS SALES TAX LIABILITY; AND FOR OTHER
12 PURPOSES."

Subtitle

15 "TO ALLOW TAXPAYERS THE OPTION OF
16 PREPAYING 80% OF THE CURRENT MONTHS
17 SALES TAX LIABILITY."

18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Arkansas Code 26-52-512(a) and (b), pertaining to prepayment
22 of sales tax by retailers, are amended to read as follows:

23 "(a) All retailers within the State of Arkansas registered to collect
24 the Arkansas gross receipts tax and having average net sales of more than two
25 hundred thousand dollars (\$200,000) per month for the preceding calendar year
26 shall make prepayment of sales tax according to one of the following payment
27 options.

28 (1) The taxpayer may elect to make two (2) tax payments for the
29 current calendar month. Each payment shall be equal to forty percent (40%) of
30 the tax due on the monthly average net sales on or before the twelfth and
31 twenty-fourth of each month. The balance of actual collections for the month
32 shall be remitted with the monthly gross receipts tax report due by the
33 twentieth day of the following month.

34 (2) The taxpayer may elect to pay an amount equal to or exceeding
35 eighty percent (80%) of the gross receipts tax liability for the current
36 calendar month on or before the twenty-fourth of each month. The balance of

1 actual collections for the month shall be remitted with the monthly gross
2 receipts tax report due by the twentieth day of the following month.

3 (b)(1) Every taxpayer who timely remits the ~~two (2)~~ prepayments
4 required by subsection (a) and who timely files and pays his monthly gross
5 receipts tax report shall be entitled to a discount. The discount shall be the
6 lesser of two percent (2%) of the reported monthly gross tax, or one thousand
7 dollars (\$1,000). ~~This discount limitation shall apply to tax prepayments due~~
8 ~~on or after January 12, 1993, and to monthly tax reports due on or after~~
9 ~~February 20, 1993.~~

10 (2)(A) Failure to pay tax prepayments when due shall result in the
11 assessment of a penalty equal to five percent (5%) of the amount of each
12 required tax prepayment.

13 (B) If a taxpayer elects to prepay according to (a)(2) of this
14 section and fails to pay eighty percent (80%) of the tax liability by the
15 twenty-fourth of the current month, no penalty shall be assessed if the
16 taxpayer proves that more than twenty percent (20%) of its tax liability arose
17 from sales occurring after the twenty-fourth of the current month but before
18 the last day of the current month.

19 (3)(A) The aggregate discount available to a taxpayer who operates
20 more than one (1) permitted business location within this state and who does
21 not file a consolidated monthly gross receipts tax report for all locations
22 shall not exceed one thousand dollars (\$1,000) per month.

23 (B) In the case of a corporate taxpayer (parent corporation)
24 that holds fifty percent (50%) or more of the outstanding shares of one (1) or
25 more corporations (subsidiaries) which are subject to the tax imposed by \hat{a}
26 26-52-101 et seq., the aggregate discount available to the parent corporation
27 and all subsidiaries shall not exceed one thousand dollars (\$1,000) per month.

28 (4) If the Arkansas Public Service Commission determines that a
29 public utility is charging rates which reflect a dollar effect related to the
30 discount allowed under \hat{a} 26-52-503 or \hat{a} 26-52-512 prior to December 18, 1992,
31 the commission shall, upon application by the utility, change the rates of the
32 utility to recover an amount equal to the differential between the discount
33 provided pursuant to \hat{a} 26-52-503 or \hat{a} 26-52-512 prior to December 18, 1992,
34 and the discount provided by this section. If an application by a public
35 utility to change rates reflects only the reduction in revenues resulting from
36 this section, the utility shall not be required to give sixty (60) days'

1 notice under § 23-4-401 of its intention to change its rates, and the proposed
2 change in rates shall not be subject to suspension under § 23-4-407 pending
3 approval by the commission."
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5 SECTION 2. This act shall become effective on January 1, 1998.
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7 SECTION 3. All provisions of this act of a general and permanent nature
8 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
9 Revision Commission shall incorporate the same in the Code.
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11 SECTION 4. If any provision of this act or the application thereof to
12 any person or circumstance is held invalid, such invalidity shall not affect
13 other provisions or applications of the act which can be given effect without
14 the invalid provision or application, and to this end the provisions of this
15 act are declared to be severable.
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17 SECTION 5. All laws and parts of laws in conflict with this act are
18 hereby repealed.

19 /s/Rep. Courtway
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