

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: H3/26/97

A Bill

SENATE BILL 181

4
5 By: Senators Hoofman, Brown, and Webb
6 By: Representatives Joe Hudson, Hunton, and Pollan

For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE 26-52-301(3)(E) TO REPEAL
10 THE SERVICE OF COLLECTING A DEBT OR ACCOUNT RECEIVABLE; TO
11 REPEAL THE SERVICE OF PROVIDING A CREDIT REPORT; TO REPEAL
12 LAWN CARE AND LANDSCAPING SERVICES; TO REPEAL THE SERVICE
13 OF PROVIDING CLEANING OR JANITORIAL WORK; TO REPEAL THE
14 SERVICE OF PARKING A MOTOR VEHICLE OR ALLOWING A MOTOR
15 VEHICLE TO BE PARKED; AND TO REPEAL THE SERVICE OF STORING
16 A MOTOR VEHICLE FROM THE ARKANSAS GROSS RECEIPTS TAX; AND
17 FOR OTHER PURPOSES."

Subtitle

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20 "TO REPEAL CERTAIN RECENTLY ENACTED
21 SALES TAX LEVIES ON THE SERVICES OF DEBT
22 COLLECTION, CREDIT REPORTING,
23 LANDSCAPING, JANITORIAL WORK, AND
24 PARKING AND STORING MOTOR VEHICLES."

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

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29 SECTION 1. Arkansas Code § 26-52-301(3)(E), pertaining to the levy of
30 gross receipts tax on certain services, is amended to read as follows:

31 "(E)(i) Service of providing transportation or delivery of money,
32 property, or valuables by armored car; ~~service of providing a credit report;~~
33 ~~service of collecting a debt or account receivable; service of providing~~
34 ~~cleaning or janitorial work; service of pool cleaning and servicing; pager~~
35 services; telephone answering services; ~~lawn care and landscaping services;~~
36 ~~service of parking a motor vehicle or allowing the motor vehicle to be parked;~~

1 ~~service of storing a motor vehicle;~~ service of storing furs; service of
2 providing indoor tanning at a tanning salon.

3 ~~— (ii) The tax levied on the service of providing a credit report and the~~
4 ~~service of collecting a debt or account receivable by subdivision (3)(E)(i) of~~
5 ~~this section shall be levied and collected as follows:~~

6 ~~— (a) The tax shall be applicable to services provided to third parties in~~
7 ~~providing a credit report or in collecting a delinquent debt in this state~~
8 ~~where the debtor and the creditor had an address or place of business within~~
9 ~~this state at the time the debt was created or referred for collection. This~~
10 ~~tax shall not be collected on delinquent debts owed by a debtor to a creditor~~
11 ~~neither of which had an address or place of business within this state at the~~
12 ~~time the debt was created or referred for collection.~~

13 ~~— (b) This gross receipts tax shall be levied and calculated on the amounts~~
14 ~~received as payment for collection services and not on the total amount of the~~
15 ~~debt collected.~~

16 ~~— (c) Any person providing the service of collecting a delinquent debt shall~~
17 ~~collect the tax from the debtor in addition to the amount of the debt being~~
18 ~~collected. If the person providing the service of collecting the debt fails to~~
19 ~~collect the tax from the debtor, the person is responsible for paying the~~
20 ~~proper amount of tax due and may collect the tax from the creditor.~~

21 ~~— (d) The provisions of subdivision (3)(E)(i) of this section shall not~~
22 ~~apply to the collection of a debt by an attorney or by a partnership or~~
23 ~~professional corporation of attorneys unless the debt arose from the extension~~
24 ~~of credit. If an attorney performs services in connection with the collection~~
25 ~~of a debt based upon the extension of credit, amounts received as payment for~~
26 ~~services prior to the filing of a complaint are subject to the tax, and all~~
27 ~~amounts received for payment of services after the filing of a complaint are~~
28 ~~not subject to the tax.~~

29 ~~— (e) The tax shall not apply to the collection of accounts which are~~
30 ~~serviced by a billing service as current accounts and are collected by the~~
31 ~~billing service after becoming delinquent;~~

32 ~~— (f) The provisions of subdivision (3)(E)(i) of this section shall not be~~
33 ~~applicable to services provided in collecting delinquent child support~~
34 ~~payments;"~~

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36 SECTION 2. The effective date of this act shall be January 1, 1998.

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SECTION 3. 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 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

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

/s/Senator Hoofman, et al