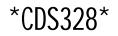
Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1	State of Arkansas	As Engrossed: H3/28/01	
2	83rd General Assembly	A Bill	
3	Regular Session, 2001		HOUSE BILL 2466
4			
5	By: Representative M. Smith		
6			
7			
8		For An Act To Be Entitled	
9	THE	COMPUTER SALES TAX HOLIDAY ACT.	
10			
11		Subtitle	
12	THE C	OMPUTER SALES TAX HOLIDAY ACT.	
13			
14			
15	BE IT ENACTED BY THE GEN	NERAL ASSEMBLY OF THE STATE OF A	RKANSAS:
16			
17	SECTION 1. Arkans	sas Code Title 26, Chapter 52, S	ubchapter 4 is amended
18	to add the following new	v section:	
19	<u>26-52-433.</u> Limite	ed exemption for computers and se	oftware.
20	(a) This section	shall be know and may be cited a	as the "Computer Sales
21	<u>Tax Holiday Act".</u>		
22	<u>(</u> b) It is found a	and determined by the General As	sembly that:
23	<u>(</u> 1) Persona	al computer usage by individual .	Arkansans is far below
24	the national average;		
25	(2) Access	to home computers by African-Am	erican and other
26	<u>minorities is almost hal</u>	f the rate of access by white h	ousehol ds;
27	<u>(</u> 3) Arkansa	as students would benefit educat	ionally from having
28	access to personal compu	uters in their homes or dormitor	ies;
29	<u>(4) All Ark</u>	<u>kansans would benefit from having</u>	g access to e-commerce
30	in their homes;		
31	<u>(5) Itist</u>	the public policy of this state	to encourage the use
32	of e-commerce by all Ark	<u>kansans;</u>	
33	<u>(6)</u> By prov	<u>viding a limited sales tax exemp</u>	tion, the purchase and
34	use of personal computer	rs will be increased; and	
35	<u>(</u> 7) That th	ne tax holiday provided by this s	section assists in
36	<u>bridging the digital div</u>	vi de.	



1	(c) For purposes of this section:		
2	(1) "Exclusion period" means the period of time from 12:01 a.m.		
3	on Friday, August 3, 2001 until 11:59 p.m. on Sunday, August 5, and from		
4	<u>12:01 a.m. on Friday, August 2, 2002 until 11:59 p.m. on Sunday, August 4,</u>		
5	2002;		
6	<u>(2)(A) "Personal computer" means a Laptop or desktop computer</u>		
7	system, including all computer hardware and software sold together as one		
8	<i>component</i> in the same sale at retail, where the computer system includes, at		
9	<u>a minimum, a central processing unit, random access memory, and a storage</u>		
10	drive. The computer system may also include a monitor and keyboard.		
11	(B) "Personal computer" shall not include minicomputers,		
12	mainframe computers, network servers, local area network hubs, routers and		
13	<u>cabling, hardware word processors, personal digital assistants, graphical</u>		
14	<u>calculators, hand-held computers, game consoles, internet TV devices, network</u>		
15	operating systems, or multiple-user licensed software and hardware.		
16	(3) "Purchaser" means an individual who pays the purchase price		
17	and takes delivery during the exclusion period or who places an order and		
18	pays the purchase price, even if delivery takes place after the exclusion		
19	period.		
20	(d) The gross receipts or gross proceeds derived from the sale of a		
21	personal computer sold to an individual purchaser during the exclusion period		
22	for non-business use is exempt from gross receipts tax if the purchase price		
23	is one thousand two hundred dollars (\$1,200) or less.		
24	<u>(e)(1) On July 1, 2001, the Director of the Department of Finance and</u>		
25	Administration shall determine whether the net available general revenues		
26	collected during the fiscal year ending June 30, 2001 equaled or exceeded the		
27	forecast provided to the Joint Committee on Economic and Tax Policy pursuant		
28	to § 10-3-1404 in May 2000. If the condition has been met, the Director of		
29	the Department of Finance and Administration shall notify all sales and		
30	vendor use tax permit holders of the application of the exemption provided by		
31	this section for the August 2001 exclusion period. If the condition has not		
32	been met, the exemption shall not apply for the exclusion period.		
33	(2) On July 1, 2002, the Director of the Department of Finance		
34	and Administration shall determine whether the net available general revenues		
35	collected during the fiscal year ending June 30, 2002 equaled or exceeded the		
36	forecast provided to the Joint Committee on Economic and Tax Policy pursuant		

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As Engrossed: H3/28/01

1	to § 10-3-1404 in May 2001. If the condition has been met, the Director of
2	the Department of Finance and Administration shall notify all sales and
3	vendor use tax permit holders of the application of the exemption provided by
4	this section for the August 2002 exclusion period. If the condition has not
5	been met, the exemption shall not apply for the exclusion period.
6	
7	SECTION 2. EMERGENCY. It is found and determined by the General
8	Assembly of the State of Arkansas that personal computer usage by individual
9	Arkansans is far below the national average; that Arkansas students would
10	benefit educationally from having access to personal computers in their homes
11	or dormitories; that all Arkansans would benefit from having access to e-
12	commerce in their homes; that it is the public policy of this state to
13	encourage the use of e-commerce by all Arkansans; that by providing a limited
14	sales tax exemption, the purchase and use of personal computers will be
15	increased. Therefore, an emergency is declared to exist and this act being
16	immediately necessary for the preservation of the public peace, health and
17	safety shall become effective on the date of its approval by the Governor.
18	If the bill is neither approved nor vetoed by the Governor, it shall become
19	effective on the expiration of the period of time during which the Governor
20	may veto the bill. If the bill is vetoed by the Governor and the veto is
21	overridden, it shall become effective on the date the last house overrides
22	the veto.
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25	/s/ M. Smith
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