

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
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/28/01

A Bill

HOUSE BILL 2466

5 By: Representative M. Smith
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For An Act To Be Entitled

THE COMPUTER SALES TAX HOLIDAY ACT.

Subtitle

THE COMPUTER SALES TAX HOLIDAY ACT.

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

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17 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
18 to add the following new section:

19 26-52-433. Limited exemption for computers and software.

20 (a) This section shall be known and may be cited as the "Computer Sales
21 Tax Holiday Act".

22 (b) It is found and determined by the General Assembly that:

23 (1) Personal computer usage by individual Arkansans is far below
24 the national average;

25 (2) Access to home computers by African-American and other
26 minorities is almost half the rate of access by white households;

27 (3) Arkansas students would benefit educationally from having
28 access to personal computers in their homes or dormitories;

29 (4) All Arkansans would benefit from having access to e-commerce
30 in their homes;

31 (5) It is the public policy of this state to encourage the use
32 of e-commerce by all Arkansans;

33 (6) By providing a limited sales tax exemption, the purchase and
34 use of personal computers will be increased; and

35 (7) That the tax holiday provided by this section assists in
36 bridging the digital divide.

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 12:01 a.m. on Friday, August 2, 2002 until 11:59 p.m. on Sunday, August 4,
5 2002;

6 (2)(A) "Personal computer" means a laptop or desktop computer
7 system, including all computer hardware and software sold together as one
8 component in the same sale at retail, where the computer system includes, at
9 a minimum, a central processing unit, random access memory, and a storage
10 drive. The computer system may also include a monitor and keyboard.

11 (B) "Personal computer" shall not include mini computers,
12 mainframe computers, network servers, local area network hubs, routers and
13 cabling, hardware word processors, personal digital assistants, graphical
14 calculators, hand-held computers, game consoles, internet TV devices, network
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 (e)(1) On July 1, 2001, the Director of the Department of Finance and
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

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.

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 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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