

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.

State of Arkansas
83rd General Assembly
Regular Session, 2001

As Engrossed: H3/15/01

A Bill

SENATE BILL 775

By: Senator Riggs
By: Representative Teague

For An Act To Be Entitled

AN ACT TO AMEND ARKANSAS CODE 26-52-301
PERTAINING TO GROSS RECEIPTS TAX ON
TELECOMMUNICATION SERVICES; AND FOR OTHER
PURPOSES.

Subtitle

TO AMEND ARKANSAS CODE 26-52-301
PERTAINING TO GROSS RECEIPTS TAX ON
TELECOMMUNICATION SERVICES.

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

SECTION 1. Arkansas Code 26-52-301(3)(A), concerning the levy of gross receipts tax on telecommunication services, is amended to read as follows:

(3)(A)(i) Service by telephone, telecommunications, and telegraph companies to subscribers or users, including transmission of messages or images, whether local or long distance.

(ii) Taxable services shall include basic local service and rental charges, including all installation and construction charges and all service and rental charges having any connection with transmission of any message or image.

(iii) Except as provided in subdivision (3)(A)(iv) of this section, taxable long distance services shall include:

(a) Long distance messages which originate and terminate within this state;

(b) Interstate long distance messages which

originate within this state and terminate outside this state and are billed to an Arkansas telephone number or customer location; and

(c) Interstate long distance messages which originate outside of this state and terminate within this state and are billed to an Arkansas telephone number or customer location.

(iv) However, the following services shall not be subject to the tax:

(a) Any interstate private communications service which is not accessible by the public;

(b) Any interstate service which allows access to private telephone lines and which is not accessible by the public;

(c) Any interstate-wide area telecommunications service or other similar service which entitles the subscriber to make or receive an unlimited number of communications to or from persons having telecommunications service in a specified area which is outside the state in which the station provided with this service is located; or

(d) Any telephone or telecommunication services paid by utilizing a prepaid telephone calling card or prepaid authorization number as provided in § 26-52-314.

(v)(a) This tax shall apply to all customer access line charges billed to an Arkansas telephone number. Access line charges are those charges associated with or for access to the long distance network.

(b) However, access or other telecommunication services provided to telephone, telegraph, or telecommunications companies which will be used to provide telecommunications services shall not be subject to this tax.

(vi)(a) Charges for nontaxable services, that are aggregated with other charges for communications services that are taxable and are not separately stated on the bill or invoice shall not be subject to the gross receipts tax if the seller can reasonably identify the nontaxable charges on the seller's books and records kept in the regular course of business.

(b) If the nontaxable charges cannot reasonably be identified, the gross receipts from the sales of both taxable and nontaxable communication services billed on a combined basis shall be attributed to the taxable communication services.

1 (c) The burden of proving nontaxable receipts or
2 charges shall be on the seller of the communication services;

3 /s/ Riggs, et al.
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36