

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 84th General Assembly
3 Regular Session, 2003

A Bill

SENATE BILL 789

4
5 By: Revenue & Tax - Senate
6
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For An Act To Be Entitled

9 AN ACT TO LEVY A FOUR PERCENT (4%) PRIVILEGE TAX
10 ON THE GROSS RECEIPTS OF SELLERS OF ELECTRICITY,
11 NATURAL GAS, CABLE OR SATELLITE TELEVISION
12 SERVICES, TELECOMMUNICATIONS SERVICES, AND
13 PROPANE AND BUTANE IN THE STATE IN LIEU OF THE
14 CORPORATION INCOME TAX; AND FOR OTHER PURPOSES.

Subtitle

16
17 TO LEVY A FOUR PERCENT (4%) PRIVILEGE
18 TAX ON THE GROSS RECEIPTS OF SELLERS OF
19 CERTAIN UTILITY SERVICES IN THE STATE IN
20 LIEU OF CORPORATION INCOME TAX.
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22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. (a)(1) Beginning July 1, 2003, there is levied and there
26 shall be collected from every qualified business in this state a privilege
27 tax for the privilege of doing business in the state that constitutes part of
28 the operating overhead of the business.

29 (2) The tax shall be computed by multiplying the gross receipts
30 of the qualified business for the tax period by four percent (4%).

31 (b) The tax levied in this section shall be in addition to all other
32 taxes currently imposed, except as stated in subsection (c) of this section.

33 (c)(1) Any qualified business subject to the tax levied in this act
34 shall be exempt from the corporation income tax levied by Arkansas Code § 26-
35 51-205 beginning July 1, 2003 with respect to the gross receipts taxed by
36 this act.



1 (2) Corporations that derive taxable Arkansas income from
2 sources other than gross receipts for its sales of the utilities or services
3 listed in section 1 shall continue to report and remit corporation income tax
4 on that taxable income.

5 (3) No credits, losses, or any other amount that would otherwise
6 be allowable to reduce the corporation income tax liability of a qualified
7 business shall be allowed to reduce the taxable gross receipts of a qualified
8 business.

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10 SECTION 2. (a) The tax levied in this act shall be due and payable on
11 or before the twentieth day of each month for the previous calendar month.

12 (b)(1) Each taxpayer subject to the tax imposed by this act shall file
13 a return under oath on forms prescribed and furnished by the director stating
14 the amount of its gross receipts for the previous calendar month.

15 (2) The return shall show any other information the director may
16 require to enable him or her to correctly compute and collect the tax levied.

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