

State of Arkansas
84th General Assembly
Regular Session, 2003

A Bill

SENATE BILL 797

By: Revenue & Tax - Senate

For An Act To Be Entitled

AN ACT TO PROVIDE THAT THE GROSS RECEIPTS
RECEIVED FOR CERTAIN SERVICES ARE SUBJECT TO THE
ARKANSAS GROSS RECEIPTS TAX; AND FOR OTHER
PURPOSES.

Subtitle

AN ACT PROVIDING THAT GROSS RECEIPTS TAX
SHALL APPLY TO FEES PAID FOR CERTAIN
SERVICES.

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

SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 3 is amended
to add an additional section to read as follows:

26-52-315. Attorneys.

(a) As used in this section unless the context otherwise requires:

(1) "Attorney" means:

(A) Any person licensed to practice law in the state or
federal courts in Arkansas;

(B) Any partnership, association, or corporation of
licensed attorneys; and

(C) Any attorney licensed by another state, who provides
services in the State of Arkansas;

(2) "Employer" means those who have a right to exercise control
as to how, when, and where services are to be performed;

(3) "Practice of law" means any service related to the legal
representation of clients, including, but not limited to, acts included in §



1 16-22-501(a), which involves conduct regulated by the Arkansas Supreme Court;
2 and

3 (4) "Services" means all acts, work, or representation rendered,
4 furnished, or performed, for a valuable consideration by any person engaged
5 in the practice of law for a consumer or client other than an employer.

6 (b) All fees and compensation collected by any attorney for services
7 performed shall be subject to the Arkansas Gross Receipts Tax Act of 1941, §
8 26-52-101 et seq.

9 (c) The tax shall be collected, reported, and paid in the same manner
10 and at the same time as is prescribed by law for the collection, reporting,
11 and payment of the tax imposed by the Arkansas Gross Receipts Tax Act of
12 1941, § 26-52-101 et seq.

13 (d)(1) Any attorney required to collect and remit gross receipts tax
14 on fees collected for services under this section shall obtain a sales tax
15 permit for the purpose of identification.

16 (2) The provisions of § 26-52-501(a), and § 26-18-206 making it
17 unlawful to operate a business without a permit shall not apply to the
18 practice of law by an attorney.

19 (3) The provisions of § 26-18-702 allowing the director to
20 enjoin the operation of a business shall not apply to the practice of law by
21 an attorney.