

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
84th General Assembly
Regular Session, 2003

As Engrossed: S3/21/03

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
by adding additional sections 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 §



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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 in
5 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 gross receipts tax levied by the Arkansas
8 Gross Receipts Act of 1941, § 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.

22
23 26-52-316. Accountants.

24 (a) For purposes of this section:

25 (1) "Accountant" means any person, partnership, corporation,
26 limited liability company, or other entity certified or licensed under § 17-
27 12-301, § 17-12-312 or §§ 17-12-401 through 17-12-404 or any accountant
28 certified or licensed by another state, who performs services in the State of
29 Arkansas;

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

32 (3) "Practice of public accounting" means the performance of
33 professional services as defined in this section, or the performance of
34 professional services while using the title or designation of certified
35 public accountant, public accountant, CPA, PA, accountant, or auditor;

36 (4) "Professional services" means services arising out of or

1 related to the specialized knowledge or skills performed by certified public
2 accountants or public accountants; and

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

7 (b) All fees and compensation collected by any accountant for services
8 performed shall be subject to the gross receipts tax levied by the Arkansas
9 Gross Receipts Act of 1941, § 26-52-101 et seq.

10 (c) The tax shall be collected, reported, and paid in the same manner
11 and at the same time as is prescribed by law for the collection, reporting,
12 and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, §
13 26-52-101 et seq.

14 (d) Any accountant required to collect and remit gross receipts taxes
15 on fees collected for services under this section shall obtain a sales tax
16 permit as provided by § 26-52-501.

17
18 26-52-317. Engineers.

19 (a) For purposes of this section:

20 (1) "Engineer" means any person, firm, partnership, corporation,
21 limited liability company, or other entity who is a professional engineer as
22 defined by § 17-30-101 or who engages in the practice of engineering as
23 defined by § 17-30-101, or who is registered as an engineer by another state,
24 who performs services in the State of Arkansas;

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

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

30 (b) All fees and compensation collected by any engineer for services
31 performed shall be subject to the gross receipts tax levied by the Arkansas
32 Gross Receipts Act of 1941, § 26-52-101 et seq.

33 (c) The tax shall be collected, reported, and paid in the same manner
34 and at the same time as is prescribed by law for the collection, reporting,
35 and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, §
36 26-52-101 et seq.

1 (d) Any engineer required to collect and remit gross receipts tax on
2 fees collected for services under this section shall obtain a sales tax
3 permit as provided by § 26-52-501.

4
5 26-52-318. Architects.

6 (a) For purposes of this section:

7 (1) "Architect" means any person, firm, partnership,
8 corporation, limited liability company, or other entity who is an architect
9 as defined by § 17-15-102 or who engages in the practice of architecture as
10 defined by § 17-15-102 or who is registered as an architect by another state,
11 who performs services in the State of Arkansas;

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

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

17 (b) All fees and compensation collected by any architect for services
18 performed shall be subject to the gross receipts tax levied by the Arkansas
19 Gross Receipts Act of 1941, § 26-52-101 et seq.

20 (c) The tax shall be collected, reported, and paid in the same manner
21 and at the same time as is prescribed by law for the collection, reporting,
22 and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, §
23 26-52-101 et seq.

24 (d) Any architect required to collect and remit gross receipts tax on
25 fees collected for services under this section shall obtain a sales tax
26 permit as provided by § 26-52-501.

27
28 26-52-319. Computer consultants.

29 (a) For purposes of this section:

30 (1) "Computer consultant" means any person, firm, partnership,
31 corporation, limited liability company, or other entity who installs,
32 maintains, repairs, or updates computer hardware or software or who provides
33 technical support or assistance in the purchase, installation, maintenance,
34 repair or updating of computer hardware or software;

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

1 (3) "Services" means all acts, or work rendered, furnished, or
2 performed for a valuable consideration by any person engaged in computer
3 consulting for a consumer or client other than an employer.

4 (b) All fees and compensation collected by any computer consultant for
5 services performed shall be subject to the gross receipts tax levied by the
6 Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

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

11 (d) Any computer consultant required to collect and remit gross
12 receipts tax on fees collected for services under this section shall obtain a
13 sales tax permit as provided by § 26-52-501.

14
15 26-53-320. Landscape architects.

16 (a) For purposes of this section:

17 (1) "Landscape architect" means any person, firm, partnership,
18 corporation, limited liability company, or other entity who is a landscape
19 architect as defined by § 17-36-102 or who engages in landscape architecture
20 as defined by § 17-36-102, or who is licensed as a landscape architect by
21 another state, who performs services in the State of Arkansas;

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

24 (3) "Services" means all acts, or work rendered, furnished, or
25 performed for a valuable consideration by any person engaged in landscape
26 architecture for a consumer or client other than an employer.

27 (b) All fees and compensation collected by any landscape architect for
28 services performed shall be subject to the gross receipts tax levied by the
29 Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

30 (c) The tax shall be collected, reported, and paid in the same manner
31 and at the same time as is prescribed by law for the collection, reporting,
32 and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, §
33 26-52-101 et seq.

34 (d) Any landscape architect required to collect and remit gross
35 receipts tax on fees collected for services under this section shall obtain a
36 sales tax permit as provided by § 26-52-501.

26-52-321. Interior Designers.

(a) For purposes of this section:

(1) "Interior designer" means any person, firm, partnership, corporation, limited liability company, or other entity who installs, maintains, repairs, or updates computer hardware or software or who provides the service of designing or decorating the interiors of houses or buildings, counseling with respect to such designing or decoration, or the procurement of furniture, fixtures, or home or building decorations;

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

(3) "Services" means all acts, or work rendered, furnished, or performed for a valuable consideration by any person engaged in interior design for a consumer or client other than an employer.

(b) All fees and compensation collected by any interior designer for services performed shall be subject to the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

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

(d) Any interior designer required to collect and remit gross receipts tax on fees collected for services under this section shall obtain a sales tax permit as provided by § 26-52-501.

26-52-322. Environmental consultants.

(a) For purposes of this section:

(1) "Environmental consultant" means any person, firm, partnership, corporation, limited liability company, or other entity who provides environmental consulting services;

(2) "Environmental consulting services" includes services provided by environmental scientists, engineers, and other experts and establishments that primarily engage in providing advice and assistance to businesses and other organizations on environmental issues, such as the control of environmental contamination from pollutants, toxic substances, and hazardous materials;

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

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

6 (b) All fees and compensation collected by any environmental
7 consultant for services performed shall be subject to the gross receipts tax
8 levied by the Arkansas Gross Receipts Act of 1941, § 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 Act of 1941, §
12 26-52-101 et seq.

13 (d) Any environmental consultant required to collect and remit gross
14 receipts tax on fees collected for services under this section shall obtain a
15 sales tax permit as provided by § 26-52-501.

16
17 26-52-323. Management consultants.

18 (a) For purposes of this section:

19 (1) "Management consultant" means any person, firm, partnership,
20 corporation, limited liability company, or other entity who provides
21 environmental consulting services;

22 (2) "Management consulting" means furnishing advice and
23 assistance to businesses and other organizations on management issues, such
24 as strategic and organizational planning; financial planning and budgeting;
25 marketing objectives and policies; human resource policies, practices and
26 planning; production scheduling; and control planning;

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

29 (4) "Services" means all acts, or work rendered, furnished, or
30 performed for a valuable consideration by any person engaged in management
31 consulting for a consumer or client other than an employer.

32 (b) All fees and compensation collected by any management consultant
33 for services performed shall be subject to the gross receipts tax levied by
34 the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

35 (c) The tax shall be collected, reported, and paid in the same manner
36 and at the same time as is prescribed by law for the collection, reporting,

1 and payment of the tax imposed by the Arkansas Gross Receipts Act of 1941, §
2 26-52-101 et seq.

3 (d) Any management consultant required to collect and remit gross
4 receipts tax on fees collected for services under this section shall obtain a
5 sales tax permit as provided by § 26-52-501.

6
7 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
8 General Assembly of the State of Arkansas that revenue available for the
9 support of necessary state services has declined during the last twelve (12)
10 months as a result of the nationwide economic slowdown; that without
11 additional revenue, some state services will be reduced or eliminated; that
12 some Arkansans will suffer as a result of service reductions or cuts; and
13 that this act will provide the necessary revenue to avoid state service
14 reductions or cuts. Therefore, an emergency is declared to exist and this
15 act being necessary for the preservation of the public peace, health, and
16 safety shall become effective on July 1, 2003.

17
18 /s/ Revenue & Tax - Senate