

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 85th General Assembly  
3 Regular Session, 2005

# A Bill

HOUSE BILL 2728

4  
5 By: Representative D. Evans  
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7

## For An Act To Be Entitled

8  
9 AN ACT TO CLARIFY THE MEANING OF  
10 "TELECOMMUNICATIONS" FOR THE PURPOSE OF THE GROSS  
11 RECEIPTS TAX; TO PRESERVE CURRENT COLLECTIONS  
12 FROM THE GROSS RECEIPTS TAX ON TELECOMMUNICATIONS  
13 SERVICES; AND FOR OTHER PURPOSES.  
14

## Subtitle

15  
16 AN ACT TO CLARIFY THE MEANING OF  
17 "TELECOMMUNICATIONS" AND PRESERVE  
18 CURRENT COLLECTIONS FROM THE GROSS  
19 RECEIPTS TAX ON TELECOMMUNICATIONS  
20 SERVICES.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 SECTION 1. Arkansas Code § 26-52-301(3)(A) [Effective until  
26 contingency in Acts 2003, No. 1273, § 88 is met], concerning the tax on the  
27 gross receipts or gross proceeds from telecommunication services, is amended  
28 to add additional subdivisions to read as follows:

29 (viii) Telecommunications services subject to tax  
30 include the one-way or two-way transmission of messages, voice messages,  
31 images, or other real-time or essentially real-time communications whether  
32 accomplished by any means including wire, cable, fiber optics, laser,  
33 microwave, radio, satellite, Internet, voice-over Internet protocol, or  
34 similar facilities.

35 (ix)(a) In addition to any other provision of this  
36 section, taxable service shall include any taxable telephone,



1 telecommunications, or telegraph service charged to an Arkansas place of  
 2 primary use.

3 (b)(1) As used in subdivision (3)(A)(ix)(a) of  
 4 this section, "place of primary use" means the location of the  
 5 telecommunications equipment from which telecommunications services are  
 6 originated or at which telecommunications services are received by a buyer.

7 (2) If the location of the  
 8 telecommunications equipment in subdivision (3)(A)(ix)(b) of this section is  
 9 not a defined location, "place of primary use" means the location where a  
 10 buyer makes primary use of the telecommunications equipment as defined by  
 11 telephone number, authorization code, or location where bills are sent.

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 13 SECTION 2. Arkansas Code § 26-52-315(b) [Effective when contingency in  
 14 Acts 2003, No. 1273, § 88 is met], concerning the tax on the gross receipts  
 15 or gross proceeds from telecommunication services, is amended to add an  
 16 additional subdivision to read as follows:

17 (4) Telecommunications services subject to tax include the one-  
 18 way or two-way transmission of messages, voice messages, images, or other  
 19 real-time or essentially real-time communications whether accomplished by any  
 20 means including wire, cable, fiber optics, laser, microwave, radio,  
 21 satellite, Internet, voice-over Internet protocol, or similar facilities.

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 23 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
 24 General Assembly of the State of Arkansas that changes in technology have  
 25 created confusion as to the taxability of various innovative and rapidly  
 26 growing telecommunications services and that such confusion threatens to  
 27 disrupt the flow of revenues that are critically needed by the state for the  
 28 support of schools, to address deficiencies in school facilities as  
 29 determined by the Supreme Court, to maintain prisons, and to ensure the  
 30 uninterrupted provisions of critical services to the public. Therefore, an  
 31 emergency is declared to exist and this act being immediately necessary for  
 32 the preservation of the public peace, health, and safety shall become  
 33 effective on:

34 (1) The date of its approval by the Governor;

35 (2) If the bill is neither approved nor vetoed by the Governor,  
 36 the expiration of the period of time during which the Governor may veto the

1 bill; or

2 (3) If the bill is vetoed by the Governor and the veto is  
3 overridden, the date the last house overrides the veto.

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