

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

SENATE BILL 290

4  
5 By: Senators T. Smith, Faris  
6 By: Representatives Mathis, Sample, Saunders, Burris

## For An Act To Be Entitled

10 AN ACT TO ALLOW QUALIFIED AMUSEMENT PARKS TO USE  
11 THE SALES TAX CREDIT PROVIDED UNDER THE ARKANSAS  
12 TOURISM DEVELOPMENT ACT TO OFFSET TOURISM TAX  
13 LIABILITY; AND FOR OTHER PURPOSES.

## Subtitle

14  
15 AN ACT TO ALLOW QUALIFIED AMUSEMENT  
16 PARKS TO USE THE SALES TAX CREDIT  
17 PROVIDED UNDER THE ARKANSAS TOURISM  
18 DEVELOPMENT ACT TO OFFSET TOURISM TAX  
19 LIABILITY.  
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22  
23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

### SECTION 1. Legislative intent.

#### (a) The General Assembly finds that:

27 (1) The State of Arkansas is well known as a vacation  
28 destination for tourists around the country and around the world;

29 (2) The presence of amusement parks provides visitors to the  
30 State with an additional avenue of recreation to complement the State's  
31 natural, historic, scenic, and cultural attractions;

32 (3) Amusement parks offer the state economic benefits, both in  
33 terms of increased tax revenue and employment opportunities for the citizens  
34 of this state;

35 (4) As an economic incentive to attract amusement parks to the  
36 state, some amusement parks are permitted under current law to claim a state



1 sales tax credit against certain approved costs incurred by companies in  
 2 connection with tourism attraction projects; and

3 (5) Otherwise qualified amusement projects are not currently  
 4 allowed to use the credit to offset the tourism gross receipts tax levied  
 5 under §§ 26-52-1001-26-52-1006.

6 (b) As a further incentive to attract and keep qualified amusement  
 7 parks and their obvious benefits in the State, it is the intent of the  
 8 General Assembly to allow qualified amusement parks to also claim a credit  
 9 against the tourism gross receipts tax to offset costs related to these  
 10 tourism attraction projects.

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 12 SECTION 2. Arkansas Code Title 15, Chapter 11, Subchapter 5 is amended  
 13 to add an additional section to read as follows:

14 15-11-511. Special rules – Qualified amusement parks.

15 (a) For purposes of this section "qualified amusement park" means a  
 16 commercial recreational activity that:

17 (1) Operates at least three (3) consecutive months during a  
 18 calendar year;

19 (2) Offers rides, shows, games, and other diversions;

20 (3) Otherwise qualifies as an approved company under § 15-11-  
 21 503(2);

22 (4) Operates within a designated area of not less than one  
 23 hundred (100) acres; and

24 (5) Has annual gross receipts from paid admissions of at least  
 25 four million dollars (\$4,000,000) during a calendar year.

26 (b)(1) A qualified amusement park may claim the sales tax credit  
 27 provided in § 15-11-507 against its liability for:

28 (A) Gross receipts tax levied under the Arkansas Gross  
 29 Receipts Act of 1941, § 26-52-101 et seq.; and

30 (B) Tourism gross receipts tax levied under §§ 26-52-  
 31 1001 – 26-52-1006.

32 (2) A qualified amusement park may not claim the sales tax  
 33 credit against any other taxes collected by the state other than as provided  
 34 in this section.

35 (3) An approved company other than a qualified amusement park  
 36 may only claim the sales tax credit provided in § 15-11-507 against the gross

1 receipts tax levied under the Arkansas Gross Receipts Act of 1941, § 26-52-  
 2 101 et seq.

3 (4) The sales tax credit provided in this section to a qualified  
 4 amusement park may be carried forward and used in the same manner as provided  
 5 in § 15-11-507(c).

6 (c) A qualified amusement park entitled to any unused sales tax  
 7 credits on the effective date of this section may use the sales tax credits  
 8 to offset its liability for:

9 (1) Gross receipts tax levied under the Arkansas Gross Receipts  
 10 Act of 1941, § 26-52-101 et seq., for the remaining carry-forward period as  
 11 provided in § 15-11-507(c) and calculated from the date of original issuance  
 12 of the sales tax credit memorandum; and

13 (2)(A) Tourism gross receipts tax levied under §§ 26-52-1001 –  
 14 26-52-1006 for a period of ten (10) years beginning on the effective date of  
 15 this section.

16 (B) At the end of the ten-year period, the qualified  
 17 amusement park shall not be allowed to use any unused credits against tourism  
 18 gross receipts tax levied under §§ 26-52-1001 – 26-52-1006.

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 20 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
 21 General Assembly of the State of Arkansas that amusement parks incur both  
 22 state gross receipts tax and tourism tax liability; that amusement parks are  
 23 a significant part of a local economy and encourage tourism for the benefit  
 24 of the entire state; that existing law permits an amusement park to offset a  
 25 portion of state gross receipts tax liability with credits earned through  
 26 investing in the construction, expansion, or improvement of the park; that  
 27 existing law does not allow an amusement park to offset any of its tourism  
 28 tax liability with its earned credits; and that permitting an amusement park  
 29 to offset its tourism tax liability with its earned credits will enable the  
 30 amusement park to best utilize its revenues to support and promote the local  
 31 and state-wide economy and tourism industry. Therefore, an emergency is  
 32 declared to exist and this act being immediately necessary for the  
 33 preservation of the public peace, health, and safety shall become effective  
 34 on the first day of the calendar month following:

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

36 (2) If the bill is neither approved nor vetoed by the Governor,

1 the expiration of the period of time during which the Governor may veto the  
2 bill; or

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

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