

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 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: S3/1/07

A Bill

SENATE BILL 15

5 By: Senators Glover, T. Smith, *Trusty, Altes, Faris, J. Taylor*
6 By: Representatives Glidewell, *Allen, Berry, Cook, D. Creekmore, Dickinson, Dunn, L. Evans, George,*
7 *R. Green, Hardwick, Harris, Hoyt, Jeffrey, Key, Kidd, King, Lamoureux, M. Martin, Maxwell, Medley,*
8 *Patterson, S. Prater, Ragland, Reynolds, Rosenbaum, Sumpter, Wills*
9

For An Act To Be Entitled

10
11
12 *AN ACT TO REPLACE THE GROSS RECEIPTS TAX ON MINI-*
13 *WAREHOUSE AND SELF-STORAGE RENTAL SERVICES WITH A*
14 *SPECIAL EXCISE TAX TO BE PHASED OUT IN THREE*
15 *YEARS; AND FOR OTHER PURPOSES.*
16

Subtitle

17
18 *TO REPLACE THE GROSS RECEIPTS TAX ON*
19 *MINI-WAREHOUSE AND SELF-STORAGE RENTAL*
20 *SERVICES WITH A SPECIAL EXCISE TAX TO BE*
21 *PHASED OUT IN THREE YEARS.*
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 *SECTION 1. Title 26 of the Arkansas Code is amended to add a new*
27 *chapter to read as follows:*

SUBCHAPTER 1 – GENERAL PROVISIONS

26-64-101. Title.

30 *This chapter shall be known and may be cited as “Arkansas Special*
31 *Excise Tax on Mini-Warehouse and Self-Storage Rental Services”.*
32

26-64-102. Definitions.

As used in this chapter:

35 *(a)(1) “Mini-warehouse and self-storage rental services” means*
36 *providing a secured area such as a building, a room in a building, locker,*



1 compartment, container, or a secured area within a building for the purpose
2 of storing tangible personal property in which the consumer customarily
3 stores and removes the consumer's tangible personal property on a self-
4 service basis. This term includes, but is not limited to, storage lockers or
5 storage units in apartment complexes (if the locker or unit is utilized at
6 the option of a tenant upon payment of a fee in addition to the apartment
7 rental), amusement parks, water parks, recreational facilities, and other
8 public locations where lockers are rented for self-storage.

9 (2) "Mini-warehouse and self-storage rental services" shall not
10 include:

11 (A) General warehousing and storage, where the warehouse
12 is engaged in the operation of receiving, handling, and storing property for
13 others using the warehouse's staff and equipment, and does not allow the
14 consumer of the service separate access to the storage area used to hold the
15 property; and

16 (B) Storage incidental to the lease of real property used
17 for purposes other than the storage of tangible personal property.

18 (b) "Director" means the Director of the Department of Finance and
19 Administration, or any of his or her authorized agents;

20 (c) "Gross receipts" or "gross proceeds" means the total amount of
21 consideration for the sale of tangible personal property and such services as
22 are provided for in this act, whether the consideration is in money or
23 otherwise, without any deduction on account of the cost of the properties
24 sold, labor service performed, interest paid, losses, or any expenses
25 whatsoever.

26
27 26-64-103. Tax additional to other taxes.

28 The tax levied by this chapter shall be in addition to any other tax
29 except as otherwise provided in this chapter.

30
31 26-64-104. Administration - Rules and regulations.

32 (a) The Director of the Department of Finance and Administration shall
33 administer this chapter.

34 (b) The director shall prescribe forms and promulgate rules for the
35 proper enforcement of this chapter, including without limitation the manner
36 and time the taxes levied by this chapter shall be collected, reported, and

1 paid, and how a sale will be sourced.

2
3 26-64-105. Disposition of taxes, interest, and penalties.

4 The taxes levied in this chapter, including any associated interest,
5 penalties and costs levied pursuant to Arkansas law, shall be distributed as
6 follows:

7 (a) Seventy-six and six-tenths percent (76.6%) of the tax, interest,
8 penalties, and costs received by the Director of the Department of Finance
9 and Administration shall be deposited as general revenues;

10 (b) Eight and one-half percent (8.5%) of the tax, interest, penalties,
11 and costs received by the director shall be deposited into the Property Tax
12 Relief Trust Fund; and

13 (c) Fourteen and nine-tenths percent (14.9%) of the tax, interest,
14 penalties, and costs received by the director shall be deposited into the
15 Educational Adequacy Fund.

16
17 SUBCHAPTER 2 – REGISTRATION – DISCOUNT – EXEMPTION -- PROCEDURES.

18 26-64-201. Registration required.

19 (a) It is unlawful for any taxpayer to transact business within this
20 state prior to registering with the Director of the Department of Finance and
21 Administration.

22 (b) The director may promulgate rules to implement this section.

23
24 26-64-202. Discount for prompt payment.

25 A taxpayer filing a report for a tax due under this chapter is eligible
26 for the discount for prompt payment pursuant to § 26-52-503.

27
28 26-64-203. Exemptions generally.

29 A tax levied by this chapter is exempted from taxation in the same
30 manner as the gross receipts tax levied by the Arkansas Gross Receipts Act of
31 1941, § 26-52-101 et seq.

32
33 26-64-204. Applicability of tax procedure provisions.

34 Any proceeding related to the registration, collection, reporting, payment,
35 or protest of the taxes levied under this chapter is governed by the Arkansas
36 Tax Procedure Act, § 26-18-101 et seq.

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2 SUBCHAPTER 3. SPECIAL EXCISE TAX ON MINI-WAREHOUSE AND SELF-STORAGE
3 RENTAL SERVICES.

4 26-64-301. Tax Levied.

5 (a)(1) Beginning July 1, 2007, there is levied an excise tax on the
6 gross receipts or gross proceeds derived from mini-warehouse and self-storage
7 rental services at the rate of four and one-half percent (4.5%).

8 (2) Beginning July 1, 2008, the tax levied in subdivision (a)(1)
9 of this section shall be levied at the rate of three percent (3%).

10 (3) Beginning July 1, 2009, the tax levied in subdivision (a)(1)
11 of this section shall be levied at the rate of one and one-half percent
12 (1.5%).

13 (4) Beginning July 1, 2010, the tax levied in subdivision (a)(1)
14 of this section shall be levied at the rate of zero percent (0%).

15
16 SECTION 2. Effective July 1, 2007, Arkansas Code § 26-52-316(a) is
17 amended to read as follows:

18 (a) The gross proceeds or gross receipts derived from the following
19 services are subject to the Arkansas Gross Receipts Act of 1941, § 26-52-101
20 et seq.:

- 21 (1) Wrecker and towing services;
- 22 (2) Collection and disposal of solid wastes;
- 23 (3) The cleaning of parking lots and gutters;
- 24 (4) Dry cleaning and laundry services;
- 25 (5) Industrial laundry services;
- 26 ~~(6) Mini-warehouse and self-storage rental services;~~
- 27 ~~(7)~~ (6) Body piercing, tattooing, and electrolysis services;
- 28 ~~(8)~~ (7) Pest control services;
- 29 ~~(9)~~ (8) Security and alarm monitoring services;
- 30 ~~(10)~~ (9) Boat storage and docking fees;
- 31 ~~(11)~~ (10) The furnishing of camping spaces or trailer spaces at
- 32 public or privately-owned campgrounds, except for federal campgrounds, on
- 33 less than a month-to-month basis;
- 34 ~~(12)~~ (11) Locksmith services; and
- 35 ~~(13)~~ (12) Pet grooming and kennel services.

36 (b)(1) As used in this section, "locksmith services" means repairing,

1 servicing, or installing locks and locking devices, whether the locks and
2 locking devices are:

- 3 (A) Incorporated into real property;
- 4 (B) Incorporated into tangible personal property; or
- 5 (C) Separate and apart from other property.

6 (2) "Locksmith services" also includes unlocking locks or locking
7 devices for another person.

8 (3) "Locksmith services" shall not include the initial installation of
9 locks by a contractor in new construction.

10
11 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
12 Eighty-Sixth General Assembly that mini-warehouse and self-storage businesses
13 provide the citizens of the State of Arkansas with an affordable, convenient
14 alternative for safely storing family and business records, in effect
15 creating an extension of the family home or apartment; that the gross
16 receipts tax on such services unfairly targets the poor and middle classes of
17 the State who are less able to safely store such items at their residences or
18 at the site of their small businesses; that the gross receipts tax on such
19 services in effect places a recurring tax burden for the storage of items on
20 which the tax was long ago paid by the consumer; and that the rate reduction
21 and eventual elimination provided by this special excise tax are necessary to
22 alleviate this burden. Therefore, an emergency is declared to exist, and
23 this act, being immediately necessary for the preservation of the public
24 peace, health and safety, shall become effective July 1, 2007.

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26 /s/ Glover
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