

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

A Bill

SENATE BILL 279

4
5 By: Senator Hill
6 By: Representative Maloch

For An Act To Be Entitled

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10 AN ACT TO PROVIDE CONSISTENCY WITH THE
11 STREAMLINED SALES AND USE TAX AGREEMENT; TO
12 PROVIDE A REBATE FOR LOCAL TAX PAID ON SINGLE
13 TRANSACTIONS; AND FOR OTHER PURPOSES.

Subtitle

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16 TO PROVIDE CONSISTENCY WITH THE
17 STREAMLINED SALES AND USE TAX AGREEMENT
18 AND TO PROVIDE A REBATE FOR LOCAL TAX
19 PAID ON SINGLE TRANSACTIONS.

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

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24 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 5 is amended
25 to add an additional section to read as follows:

26 26-52-523. Rebates on local sales and use tax.

27 (a) As used in this section:

28 (1) "Qualifying purchase" means a purchase of tangible personal
29 property or a taxable service:

30 (A) For which the purchaser may take a business expense
31 deduction pursuant to 26 U.S.C. § 162, as in effect on January 1, 2007;

32 (B) For which the purchaser may take a depreciation
33 deduction pursuant to 26 U.S.C. § 167, as in effect on January 1, 2007;

34 (C) By an exempt organization under 26 U.S.C. § 501, as in
35 effect on January 1, 2007, if the purchase would be subject to a business
36 expense deduction or depreciation deduction if the purchaser were not an



1 exempt organization under 26 U.S.C. § 501, as in effect on January 1, 2007;
 2 or

3 (D) By a state, or any county, city, municipality, school
 4 district, state-supported college or university, or any other political
 5 subdivision of a state, if the purchase would be subject to a business
 6 expense deduction or depreciation deduction if the purchaser were not one (1)
 7 of the entities enumerated in this subdivision.

8 (2) "Single Transaction" means any sale of tangible personal
 9 property or a taxable service reflected on a single invoice, receipt, or
 10 statement for which an aggregate sales or use tax amount has been reported
 11 and remitted to the state for a single local taxing jurisdiction.

12 (b)(1) A purchaser that pays any municipal sales or use tax in excess
 13 of the tax due on the first two thousand five hundred dollars (\$2,500) of
 14 gross receipts or gross proceeds from a qualifying purchase of tangible
 15 personal property or a taxable service in a single transaction is entitled to
 16 a credit or rebate of the excess amount of municipal sales or use tax paid on
 17 each single transaction.

18 (2) A purchaser that pays any county sales or use tax in excess
 19 of the tax due on the first two thousand five hundred dollars (\$2,500) of
 20 gross receipts or gross proceeds from a qualifying purchase of tangible
 21 personal property or a taxable service in a single transaction is entitled to
 22 a credit or rebate of the excess amount of county sales or use tax paid on
 23 each single transaction.

24 (c)(1) A purchaser that is required by § 26-52-501, § 26-52-509, or §
 25 26-53-125 to file a sales or use tax return may file a claim for a credit or
 26 rebate under this section with the Director of the Department of Finance and
 27 Administration in connection with the sales or use tax return, and offset the
 28 amount of credit or rebate claimed against any municipal or county sales or
 29 use tax due to be remitted with the return.

30 (2) A purchaser that qualifies for a credit or rebate under this
 31 section and is not required to file a sales or use tax return as provided in
 32 subdivision (c)(1) of this section may file a claim for a credit or rebate
 33 under this section with the director.

34 (d) No credit or rebate under this section shall be paid for any claim
 35 filed after six (6) months from the date of the qualifying purchase.

36 (e) A claim for a credit or rebate under this section shall be filed

1 with the local taxing jurisdiction if, at the time the claim is filed, the
2 local sales or use tax that is the subject of the claim has been out of
3 existence for more than sixty (60) days.

4 (f) No interest shall accrue or be paid on an amount subject to a
5 claim for a credit or rebate under this section.

6 (g) The director may promulgate rules to administer this section,
7 including without limitation providing an administratively feasible method
8 for filing a claim for a credit or rebate and any necessary forms.

9 (h) This section does not apply to a local sales tax levied in
10 accordance with § 26-52-303 or § 26-75-502.

11 (i) Except as provided in subsection (h) of this section, this section
12 applies to any local sales or use tax collected by the director pursuant to
13 any state tax law authorizing a county or municipality to levy a sales or use
14 tax.

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16 SECTION 2. Section 1 of this act is effective on January 1, 2008.
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