

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: S2/14/07*

# A Bill

SENATE BILL 279

5 By: Senator Hill  
6 By: Representative Maloch  
7  
8

## For An Act To Be Entitled

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

15 TO PROVIDE CONSISTENCY WITH THE  
16 STREAMLINED SALES AND USE TAX AGREEMENT  
17 AND TO PROVIDE A REBATE FOR LOCAL TAX  
18 PAID ON SINGLE TRANSACTIONS.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

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 or after  
36 six (6) months from the date of payment, if later.

