## 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         | As Engrossed: S2/14/07                        |                 |            |
|----------|---------------------------|---|-----------------|------------|
| 2        | 86th General Assembly     | A Bill  |                 |            |
| 3        | Regular Session, 2007     |   | SENATE BILL     | 279        |
| 4        |                           |   |                 |            |
| 5        | By: Senator Hill          |   |                 |            |
| 6        | By: Representative Maloch |   |                 |            |
| 7        |                           |   |                 |            |
| 8        |                           |   |                 |            |
| 9        |                           | For An Act To Be Entitled                     |                 |            |
| 10       | AN ACT                    | TO PROVIDE CONSISTENCY WITH THE               |                 |            |
| 11       | STREAML                   | INED SALES AND USE TAX AGREEMENT; TO          |                 |            |
| 12       | PROVIDE                   | A REBATE FOR LOCAL TAX PAID ON SINGLE         | I               |            |
| 13       | TRANSAC                   | TIONS; AND FOR OTHER PURPOSES.                |                 |            |
| 14       |                           | G 1 4 1                                       |                 |            |
| 15       |                           | Subtitle                                      |                 |            |
| 16       | TO P                      | PROVIDE CONSISTENCY WITH THE                  |                 |            |
| 17       | STRE                      | AMLINED SALES AND USE TAX AGREEMENT           |                 |            |
| 18       | AND                       | TO PROVIDE A REBATE FOR LOCAL TAX             |                 |            |
| 19       | PAID                      | ON SINGLE TRANSACTIONS.                       |                 |            |
| 20       |                           |   |                 |            |
| 21       |                           |   |                 |            |
| 22       | BE IT ENACTED BY THE      | GENERAL ASSEMBLY OF THE STATE OF ARKAN        | SAS:            |            |
| 23       |                           |   | _               |            |
| 24       |                           | ansas Code Title 26, Chapter 52, Subch        | apter 5 is amen | .ded       |
| 25       |                           | section to read as follows:                   |                 |            |
| 26       |                           | ates on local sales and use tax.              |                 |            |
| 27       | (a) As used in            |   |                 | _          |
| 28       |                           | lifying purchase" means a purchase of         | tangible person | <u>.a1</u> |
| 29       | property or a taxable     |   |                 |            |
| 30       |                           | For which the purchaser may take a b          |                 | :          |
| 31       |                           | 26 U.S.C. § 162, as in effect on Janu         | _               |            |
| 32       |                           | For which the purchaser may take a d          |                 |            |
| 33       |                           | 26 U.S.C. § 167, as in effect on Janu         | _               |            |
| 34<br>35 |                           | By an exempt organization under 26 U          |                 | <u> </u>   |
| 35<br>36 |                           | 2007, if the purchase would be subject        |                 |            |
| 36       | expense deduction or      | <u>depreciation deduction if the purchase</u> | r were not an   |            |

02-14-2007 14:01 MMC042

- 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 of the tax due on the first two thousand five hundred dollars (\$2,500) of 13 gross receipts or gross proceeds from a qualifying purchase of tangible 14 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. (2) A purchaser that pays any county sales or use tax in excess 18 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 personal property or a taxable service in a single transaction is entitled to 21 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 section and is not required to file a sales or use tax return as provided in 31 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.

| 1  | (e) A claim for a credit or rebate under this section shall be filed          |  |  |
|----|---|--|--|
| 2  | with the local taxing jurisdiction if, at the time the claim is filed, the    |  |  |
| 3  | local sales or use tax that is the subject of the claim has been out of       |  |  |
| 4  | existence for more than sixty (60) days.                                      |  |  |
| 5  | (f) No interest shall accrue or be paid on an amount subject to a             |  |  |
| 6  | claim for a credit or rebate under this section.                              |  |  |
| 7  | (g) The director may promulgate rules to administer this section,             |  |  |
| 8  | including without limitation providing an administratively feasible method    |  |  |
| 9  | for filing a claim for a credit or rebate and any necessary forms.            |  |  |
| 10 | (h) This section does not apply to a local sales tax levied in                |  |  |
| 11 | accordance with § 26-52-303 or § 26-75-502.                                   |  |  |
| 12 | (i) Except as provided in subsection (h) of this section, this section        |  |  |
| 13 | applies to any local sales or use tax collected by the director pursuant to   |  |  |
| 14 | any state tax law authorizing a county or municipality to levy a sales or use |  |  |
| 15 | tax.  |  |  |
| 16 |   |  |  |
| 17 | SECTION 2. Section 1 of this act is effective on January 1, 2008.             |  |  |
| 18 |   |  |  |
| 19 | /s/ Hill  |  |  |
| 20 |   |  |  |
| 21 |   |  |  |
| 22 |   |  |  |
| 23 |   |  |  |
| 24 |   |  |  |
| 25 |   |  |  |
| 26 |   |  |  |
| 27 |   |  |  |
| 28 |   |  |  |
| 29 |   |  |  |
| 30 |   |  |  |
| 31 |   |  |  |
| 32 |   |  |  |
| 33 |   |  |  |
| 34 |   |  |  |
| 35 |   |  |  |
| 36 |   |  |  |