

State of Arkansas  
86th General Assembly  
Regular Session, 2007

# A Bill

SENATE BILL 280

By: Senator Hill  
By: Representative Maloch

## For An Act To Be Entitled

AN ACT TO CHANGE THE EFFECTIVE DATE OF UNCODIFIED  
§ 88 OF ACT 1273 OF 2003, AS AMENDED BY ACT 2008  
OF 2005; AND FOR OTHER PURPOSES.

## Subtitle

TO CHANGE THE EFFECTIVE DATE OF  
UNCODIFIED § 88 OF ACT 1273 OF 2003, AS  
AMENDED BY ACT 2008 OF 2005.

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

SECTION 1. Uncodified § 88 of Act 1273 of 2003, as amended by  
uncodified § 1 of Act 2008 of 2005, is amended to read as follows:

SECTION 88. Effective date. It is found and determined by the Eighty-fourth General Assembly that the Streamlined Sales and Use Tax Agreement is necessary in order to stop the loss of sales tax revenue due to the rapid growth of internet sales, to level the playing field between local businesses and out-of-state businesses, and to negate the undue burden on interstate commerce; and that this act is necessary in order for Arkansas to be in compliance with the Streamlined Sales and Use Tax Agreement. Under the Streamlined Sales and Use Tax Agreement, when at least ten (10) states comprising at least twenty percent (20%) of the total population, as determined by the 2000 Federal census, of all states imposing a state sales tax have petitioned for membership and have been found to be in compliance with the requirements of the agreement, the agreement will become effective unless a specific effective date is otherwise given. ~~While these~~



~~contingencies have not been met, it is anticipated that they will be met on~~  
~~July 1, 2005, which would result in the Streamlined Sales Tax Agreement~~  
~~becoming effective on October 1, 2005.~~ These contingencies were met and the  
Streamlined Sales and Use Tax Agreement went into effect on October 1, 2005.  
Pursuant to the Streamlined Sales and Use Tax Agreement, a state may apply to  
become a party to the Streamlined Sales and Use Tax Agreement by submitting a  
petition for membership and certificate of compliance to the governing board.  
The governing board shall then determine if the petitioning state is in  
compliance with the Streamlined Sales and Use Tax Agreement. A state is in  
compliance with the Streamlined Sales and Use Tax Agreement if the effect of  
the state's laws, rules, regulations, and policies is substantially in  
compliance with the requirements in the Streamlined Sales and Use Tax  
Agreement. The petitioning state's proposed date of entry to the Streamlined  
Sales and Use Tax Agreement shall be on the first day of a calendar quarter.  
It is anticipated that Arkansas will become a full member of the Streamlined  
Sales and Use Tax Governing Board on January 1, 2008. In order to allow the  
 Department of Finance and Administration and local businesses additional time  
 to prepare for the changes necessary as the result of this act, all of the  
 sections in this act will become effective on ~~July 1, 2007~~ January 1, 2008.  
 Thus, any section of this act with a specific effective date shall have an  
 effective date of ~~July 1, 2007~~ January 1, 2008, and not the specific  
 effective date provided in the introductory language to the section, and when  
 no effective date was listed in the section, then the effective date will  
 also be ~~July 1, 2007~~ January 1, 2008.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
General Assembly of the State of Arkansas that this state is losing sales tax  
revenue due to the rapid growth of Internet sales; that several states have  
joined together and drafted a Streamlined Sales and Use Tax Agreement to  
simplify and modernize sales and use tax administration in order to  
substantially reduce the burden of tax compliance; that the previously  
enacted changes made to Arkansas law to bring it into compliance with the  
Streamlined Sales and Use Tax Agreement will go into effect on July 1, 2007;  
that it is anticipated that the remaining changes will go into effect on  
January 1, 2008; that the Department of Finance and Administration  
anticipates becoming a full member of the Streamlined Sales and Use Tax

1 Governing Board on January 1, 2008; that educating businesses on the changes  
2 to Arkansas law will be necessary; that the Director of the Department of  
3 Finance and Administration will have to promulgate rules concerning the  
4 changes to Arkansas law as directed by the General Assembly; that in order to  
5 allow the Department of Finance and Administration and local businesses  
6 additional time to prepare for the changes necessary as the result of the  
7 changes to Arkansas law, an extension of the effective date is needed; and  
8 that this act must go into effect before the contingent provisions become  
9 effective on July 1, 2007. Therefore, an emergency is declared to exist and  
10 this act being necessary for the preservation of the public peace, health,  
11 and safety shall become effective on June 30, 2007.