

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

A Bill

SENATE BILL 282

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 REMOVE THE SPECIAL EXCISE TAXES FROM THE GROSS
12 RECEIPTS SECTION OF THE CODE AND TO PLACE THE
13 SPECIAL EXCISE TAXES IN A SEPARATE SECTION OF THE
14 CODE; AND FOR OTHER PURPOSES.
15

Subtitle

16 TO PROVIDE CONSISTENCY WITH THE
17 STREAMLINED SALES AND USE TAX AGREEMENT
18 AND TO MOVE THE SPECIAL EXCISE TAXES
19 FROM THE GROSS RECEIPTS SECTION OF THE
20 CODE TO A SEPARATE SECTION OF THE CODE.
21
22
23
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. Title 26 is amended to add a new chapter to read as
28 follows:
29

30 SUBCHAPTER 1 – GENERAL PROVISIONS

31 26-63-101. Title.

32 This chapter shall be known and may be cited as "Arkansas Special
33 Excise Taxes".
34

35 26-63-102. Definitions.

36 As used in this chapter:



1 (1) "Consumer" means a person to which the taxable sale is made
 2 or to which a taxable service is furnished;

3 (2) "Director" means the Director of the Department of Finance
 4 and Administration or any of his or her authorized agents;

5 (3) "Engage in business" means any local activity regularly and
 6 persistently pursued by any seller or vendor through agents, employees, or
 7 representatives with the object of gain, profit, or advantage and that
 8 results in a sale, delivery, or the transfer of the physical position of any
 9 tangible personal property by the vendor to the vendee at or from any point
 10 within Arkansas, whether from warehouse, store, office, storage point,
 11 rolling store, motor vehicle, delivery conveyance, or by any method or device
 12 under the control of the seller effecting such a local delivery without
 13 regard to the terms of sale with respect to point of acceptance of the order,
 14 point of payment, or any other condition;

15 (4)(A) "Gross receipts" or "gross proceeds" means the total
 16 amount of consideration, including cash, credit, property, and services, for
 17 which tangible personal property or a taxable service is sold, leased, or
 18 rented, valued in money, whether received in money or otherwise, without any
 19 deduction for the following:

20 (i) The seller's cost of the tangible personal
 21 property sold;

22 (ii) The cost of materials used, labor or service
 23 cost, interest, any loss, any cost of transportation to the seller, any tax
 24 imposed on the seller, or any other expense of the seller;

25 (iii) Any charge by the seller for any service
 26 necessary to complete the sale;

27 (iv) Delivery charge;

28 (v)(a) Installation charge.

29 (b) However, an installation charge will not
 30 be included in the "gross receipts" or "gross proceeds" if it is not a
 31 specifically taxable service under the Arkansas Gross Receipts Act of 1941, §
 32 26-52-101 et seq. or the Arkansas Compensating Tax Act of 1949, § 26-53-101
 33 et seq. and the installation charge has been separately stated on the
 34 invoice, billing, or similar document given to the purchaser;

35 (vi) The value of exempt tangible personal property
 36 given to the purchaser if taxable and exempt tangible personal property have

1 been bundled together and sold by the seller as a single product or piece of
2 merchandise; and

3 (vii) Credit for any trade-in.

4 (B) "Gross receipts" or "gross proceeds" does not include:

5 (i) A discount, including cash, term, or a coupon
6 that is not reimbursed by a third party and that is allowed by a seller and
7 taken by a purchaser on a sale;

8 (ii) Interest, financing, or a carrying charge from
9 credit extended on the sale of tangible personal property or a taxable
10 service, if the amount is separately stated on the invoice, bill of sale, or
11 similar document given to the purchaser; and

12 (iii) Any tax legally imposed directly on the
13 consumer that is separately stated on the invoice, bill of sale, or similar
14 document given to the purchaser;

15 (5)(A)(i) "Lease" or "rental" means any transfer of possession
16 or control of tangible personal property for a fixed or indeterminate term
17 for consideration.

18 (ii) A lease or rental may include future options to
19 purchase or extend.

20 (B) "Lease" or "rental" does not include:

21 (i) A transfer of possession or control of tangible
22 personal property under a security agreement or deferred payment plan that
23 requires the transfer of title upon completion of the required payments;

24 (ii) A transfer of possession or control of tangible
25 personal property under an agreement that requires the transfer of title upon
26 completion of required payments and payment of an option price that does not
27 exceed the greater of one hundred dollars (\$100) or one percent (1%) of the
28 total required payments;

29 (iii)(a) Providing tangible personal property along
30 with an operator for a fixed or indeterminate period of time.

31 (b) A condition of this exclusion in this
32 subdivision (5)(B)(iii) is that the operator is necessary for the equipment
33 to perform as designed.

34 (c) For the purpose of this subdivision
35 (5)(B)(iii), an operator must do more than maintain, inspect, or set up the
36 tangible personal property; or

1 (iv) An agreement covering a motor vehicle and
 2 trailer if the amount of consideration may be increased or decreased by
 3 reference to the amount realized upon the sale or disposition of the property
 4 as defined in 26 U.S.C. § 7701(h)(2), as in effect on January 1, 2007.

5 (C) This definition of "lease" or "rental" in this
 6 subdivision (5) shall:

7 (i) Be used for excise tax purposes under this
 8 chapter regardless of whether a transaction is characterized as a lease or
 9 rental under generally accepted accounting principles, the Internal Revenue
 10 Code, as in effect on January 1, 2007, the Uniform Commercial Code, § 4-1-101
 11 et seq., or another provision of federal, state, or local law;

12 (ii) Be applied only prospectively from the
 13 effective date of this subdivision (5) and shall have no retroactive impact
 14 on existing leases or rentals; and

15 (iii) Impact neither any existing sale-leaseback
 16 exemption nor exclusion;

17 (6) "Long-term rental" means a lease of thirty (30) days or more
 18 to a single consumer;

19 (7) "Motor vehicle" means a vehicle that is self-propelled and
 20 is required to be registered for use on the highway;

21 (8) "Person" includes any individual, partnership, limited
 22 liability company, limited liability partnership, corporation, estate, trust,
 23 fiduciary, or any other legal entity;

24 (9)(A) "Sale" means the transfer of either the title or
 25 possession, except in the case of a lease or rental for a valuable
 26 consideration of tangible personal property regardless of the manner, method,
 27 instrumentality, or device by which the transfer is accomplished.

28 (B) "Sale" includes the:

29 (i) Exchange, barter, lease, or rental of tangible
 30 personal property; or

31 (ii) Sale, giving away, exchanging, or other
 32 disposition of admissions, dues, or fees to clubs, to places of amusement, or
 33 to recreational or athletic events or for the privilege of having access to
 34 or the use of amusement, athletic, or entertainment facilities.

35 (C) "Sale" does not include the:

36 (i) Furnishing or rendering of a service except as

1 otherwise provided in this section; or

2 (ii) Transfer of title to a vehicle by the vehicle
 3 owner to an insurance company as a result of the settlement of a claim for
 4 damages to the vehicle.

5 (D)(i) In the case of a lease or rental of tangible
 6 personal property, including motor vehicles and trailers for less than thirty
 7 (30) days, any tax levied by this chapter shall be paid on the basis of
 8 rental or lease payments made to the lessor of the tangible personal property
 9 during the term of the lease or rental regardless of whether Arkansas gross
 10 receipts tax or compensating use tax was paid by the lessor at the time of
 11 the purchase of the tangible personal property.

12 (ii) In the case of a lease or rental of tangible
 13 personal property, including motor vehicles and trailers for thirty (30) days
 14 or more, the tax shall be paid on the basis of rental or lease payments made
 15 to the lessor of the tangible personal property during the term of the lease
 16 or rental unless Arkansas gross receipts tax or compensating use tax was paid
 17 by the lessor at the time of the purchase of the tangible personal property;

18 (10) "Short-term rental" means a rental or lease of tangible
 19 personal property for a period of less than thirty (30) days to a single
 20 consumer;

21 (11) "Tangible personal property" means personal property that
 22 can be seen, weighed, measured, felt, or touched, or that is in any other
 23 manner perceptible to the senses; and

24 (12) "Taxpayer" means any person liable to remit a tax levied by
 25 this chapter or to make a report for the purpose of claiming any exemption
 26 from payment of a tax levied by this chapter.

27
 28 26-63-103. Tax additional to other taxes.

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

31
 32 26-63-104. Administration - Rules and regulations.

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

35 (b) The director shall prescribe forms and promulgate rules for the
 36 proper enforcement of this chapter, including without limitation the manner

1 and time the taxes levied by this chapter shall be collected, reported, and
 2 paid, and how a sale will be sourced.

3 (c) Except as otherwise provided in this chapter, any law, rule, or
 4 regulation relating to the administration, enforcement, or collection of a
 5 tax levied under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et
 6 seq., applies to this chapter if it is applicable.

7
 8 26-63-105. Cost of administration of chapter - Distribution of surplus
 9 annually.

10 (a) The administration cost of this chapter shall not exceed three
 11 percent (3%) of the actual revenues collected under this chapter.

12 (b) If any funds appropriated for the administration of this chapter
 13 remain in the possession of the Director of the Department of Finance and
 14 Administration at the end of each fiscal year that have not been actually
 15 used in the administration of this chapter, then the funds shall be remitted
 16 by the director to the Treasurer of State for distribution in the same manner
 17 and for the same purposes provided for in § 26-63-106.

18
 19 26-63-106. Disposition of taxes, interest, and penalties.

20 (a) Except as otherwise provided in this chapter, all taxes, interest,
 21 penalties, and costs received by the Director of the Department of Finance
 22 and Administration under this chapter are general revenues and shall be
 23 deposited into the State Treasury to the credit of the State Apportionment
 24 Fund.

25 (b) The Treasurer of State shall allocate and transfer the general
 26 revenues described in subsection (a) of this section to the various State
 27 Treasury funds participating in general revenues in the respective
 28 proportions to those funds as provided by and to be used for the respective
 29 purposes set forth in the Revenue Stabilization Law, § 19-5-101 et seq.

30
 31 26-63-107. Changes in law - Notice.

32 The Director of the Department of Finance and Administration shall give
 33 each special excise tax registrant under § 26-63-201 written notice of any
 34 change in the state law pertaining to the taxes levied by this chapter within
 35 thirty (30) days after the adjournment of the General Assembly.

36

1 SUBCHAPTER 2 – REGISTRATION – DISCOUNT – EXEMPTION -- PROCEDURES

2 26-63-201. Registration required.

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

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

7
8 26-63-202. Discount for prompt payment.

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

11
12 26-63-203. Exemptions generally.

13 With the exception of the tourism tax levied in § 26-63-401 et seq., of
14 this chapter, a tax levied by this chapter is exempted from taxation in the
15 same manner as the gross receipts tax levied by the Arkansas Gross Receipts
16 Act of 1941, § 26-52-101 et seq.

17
18 26-63-204. Discontinuance of business - Unpaid taxes.

19 (a)(1) Upon discontinuance of a business by sale or otherwise, any
20 taxpayer registered to operate under this chapter shall notify the Director
21 of the Department of Finance and Administration in writing and remit any
22 unpaid or accrued taxes due under this chapter.

23 (2) Failure to pay any unpaid or accrued taxes due under this
24 chapter is sufficient cause for the director to refuse to allow the taxpayer
25 to engage in or transact any other business in this state.

26 (3) In the case of a sale of any business, the tax levied by
27 this chapter is due at the time of the sale of the fixtures and equipment
28 incident to the business and any tax due under this chapter constitutes a
29 lien against the stock and the fixtures and equipment in the possession of
30 the purchaser of the fixtures and equipment or any other third party until
31 the tax due under this chapter is paid.

32 (b) The director shall not register a taxpayer to continue to conduct
33 a business until all tax due under this chapter has been settled and paid.

34
35 26-63-205. Applicability of tax procedure provisions.

36 Any proceeding related to the registration, collection, reporting, or

1 payment under this chapter is governed by the Arkansas Tax Procedure Act, §
 2 26-18-101 et seq.

3
 4 SUBCHAPTER 3. RENTAL TAXES

5
 6 26-63-301. Short-term rentals of tangible personal property.

7 (a) As used in this section:

8 (1) "Motor vehicle" means any vehicle required to be licensed
 9 for highway use under Arkansas law; and

10 (2) "Short-term rental" means a rental or lease of tangible
 11 personal property for a period of less than thirty (30) days, except rentals
 12 or leases of motor vehicles, trailers, or farm machinery and equipment;

13 (b)(1) In addition to the gross receipts tax levied by the Arkansas
 14 Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax
 15 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,
 16 there is levied a short-term rental tax of one percent (1%) on the gross
 17 receipts received from the short-term rental of tangible personal property.

18 (2) The tax levied by this section is applicable to a short-term
 19 rental regardless of whether the gross receipts tax levied by the Arkansas
 20 Gross Receipts Act of 1941, § 26-52-101 et seq., or the compensating use tax
 21 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., was
 22 paid on the rented tangible personal property at the time of purchase.

23 (c) The tax levied by this section does not apply to the lease or
 24 rental of:

25 (1) A diesel truck leased or rented for commercial shipping; and

26 (2) Farm machinery or farm equipment leased or rented for a
 27 commercial purpose.

28 (d) The tax levied by this section does not apply to a short-term
 29 rental of tangible personal property which is subject to the tourism tax
 30 levied in § 26-63-401 et seq.

31
 32 26-63-302. Rental vehicle tax.

33 (a)(1)(A) In addition to the gross receipts tax levied by the
 34 Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the
 35 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §
 36 26-53-101 et seq., there is levied a rental vehicle tax.

1 (B) The rental vehicle tax is levied on the gross receipts
2 or gross proceeds derived from the rental of a motor vehicle required to be
3 licensed that is leased for a period of less than thirty (30) days.

4 (C) The gross receipts or gross proceeds derived from a
5 rental described in subdivision (a)(1)(B) of this section is taxable whether
6 or not the gross receipts tax levied by the Arkansas Gross Receipts Act of
7 1941, § 26-52-101 et seq., or the compensating use tax levied by the Arkansas
8 Compensating Tax Act of 1949, § 26-53-101 et seq., was paid at the time of
9 registration.

10 (2) The gross receipts or gross proceeds derived from the sale
11 of a motor vehicle to a person engaged in the business of renting a motor
12 vehicle required to be licensed is exempt from taxation under the gross
13 receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101
14 et seq., the compensating use tax levied by the Arkansas Compensating Tax Act
15 of 1949, § 26-53-101 et seq., and any municipal or county sales taxes if the
16 motor vehicle is used exclusively for the purpose of rentals for periods of
17 less than thirty (30) days.

18 (b)(1) In addition to the rate in subsection (c) of this section, the
19 rental vehicle tax is levied at the rate of five percent (5%) and the rate of
20 any applicable municipal or county taxes.

21 (2) Except as provided otherwise in this section, the rental
22 vehicle tax shall be collected, reported, and paid in the same manner and at
23 the same time as prescribed by this chapter.

24 (3)(A) The rental vehicle tax shall be remitted to the Director
25 of the Department of Finance and Administration and, except for the amount
26 equal to any municipal or county taxes, shall be deposited into the State
27 Treasury as general revenues.

28 (B) The amount of the rental vehicle tax, which is based
29 on the municipal and county sales taxes, shall be remitted to the city or
30 county in the same manner as for municipal and county sales taxes.

31 (c)(1) There is also imposed an additional rental vehicle tax at the
32 rate of five percent (5%) on the gross receipts or gross proceeds derived
33 from the rental of a motor vehicle required to be licensed that is leased for
34 a period of less than thirty (30) days.

35 (2)(A)(i) The additional rental vehicle tax shall be remitted to
36 the director, who shall deposit seventy-five percent (75%) of the net

1 revenues derived from the additional rental vehicle tax into the Arkansas
 2 Public Transit Trust Fund.

3 (ii) The moneys in the fund resulting from a deposit
 4 described in subdivision (c)(2)(A)(i) of this section shall be used by the
 5 Arkansas State Highway and Transportation Department for the purpose of
 6 acquiring federal matching funds for the purchase of public transportation
 7 vehicles, for public transit equipment or facilities, and for the operation
 8 of the United States Department of Transportation Federal Transit
 9 Administration assistance programs.

10 (B) The remaining twenty-five percent (25%) of the
 11 revenues shall be deposited into the Department of Education Public School
 12 Fund Account to be used exclusively for teacher salaries.

13 (d) Both the rental vehicle tax and the additional rental vehicle tax
 14 levied by this section do not apply to the lease or rental of:

15 (1) A diesel truck leased or rented for commercial shipping;

16 (2) Farm machinery or farm equipment leased or rented for a
 17 commercial purpose; and

18 (3) A gasoline-powered or diesel-powered truck leased or rented
 19 for residential moving or shipping.

20
 21 26-63-303. Residential moving tax.

22 In addition to the gross receipts tax levied by the Arkansas Gross
 23 Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax
 24 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,
 25 there is levied a residential moving tax at the rate of four and one-half
 26 percent (4.5%) on the gross receipts received from:

27 (a) The short-term rental of a gasoline or diesel powered truck rented
 28 or leased for residential moving or shipping; and

29 (b) Any tangible personal property sold in conjunction with the rental
 30 or lease of a gasoline or diesel powered truck rented or leased for
 31 residential moving or shipping.

32
 33 26-63-304. Long-term rental vehicle tax.

34 (a)(1) In addition to the gross receipts tax levied by the Arkansas
 35 Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax
 36 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,

1 there is levied a long-term rental vehicle tax at the rate of one and one-
 2 half percent (1.5%) on the gross receipts or gross proceeds derived from a
 3 rental of a motor vehicle required to be licensed and that is leased for a
 4 period of thirty (30) days or more.

5 (2) The gross receipts or gross proceeds derived from the rental
 6 described in subdivision (a)(1) of this section is taxable only if the gross
 7 receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101
 8 et seq., or the compensating use tax levied by the Arkansas Compensating Tax
 9 Act of 1949, § 26-53-101 et seq., was not paid at the time of registration.

10 (b) If the Chief Fiscal Officer of the State certifies that ten
 11 percent (10%) or more of all new motor vehicles registered in Arkansas during
 12 a calendar year are leased vehicles based on information and statistics from
 13 a reliable source, such as R.L. Polk & Co., then the long-term rental vehicle
 14 tax shall expire on June 30 of the fiscal year following the calendar year
 15 for which the certification is made.

16 (c) The long-term rental vehicle tax shall be remitted to the Director
 17 of the Department of Finance and Administration and shall be deposited into
 18 the State Treasury as general revenues.

19 (d) The long-term rental vehicle tax does not apply to:

20 (1) A diesel truck rented or leased for commercial shipping;

21 (2) Farm machinery or farm equipment rented or leased for a
 22 commercial purpose;

23 (3) A gasoline or diesel-powered truck rented or leased for
 24 residential moving or shipping.

25
 26 CHAPTER 4. – TOURISM TAX

27 26-63-401. Definitions.

28 As used in this subchapter:

29 (1) "Camping fee" means a fee for furnishing a camping space or
 30 trailer space on less than a month-to-month basis;

31 (2)(A) "Tourist attraction" means a theme park, a water park, a
 32 water slide, a river boat or lake boat cruise or excursion, a local
 33 sightseeing or excursion tour, a helicopter tour, an excursion railroad, a
 34 carriage ride, horse racing, dog racing, car racing, an indoor or outdoor
 35 play or music show, folk center, observation tower, a privately owned or
 36 operated museum, a privately owned historic site or building, or a natural

1 formation such as a spring, bridge, rock formation, cave, or cavern.

2 (B) "Tourist attraction" does not include:

3 (i) A special event;

4 (ii) An event of a school, college, or university;

5 or

6 (iii) An event of a restaurant, coffee shop, dinner
7 theater which admits dinner guests only, cafe, cafeteria, or any other public
8 eating establishment which is open for business every month of the year;

9 (3) "Special event" means any attraction, festival, or other
10 event of not more than fourteen (14) days' duration; and

11 (4)(A) "Watercraft" means a boat, canoe, kayak, sailboat, party
12 barge, raft, jet ski, houseboat, or amphibious vehicle.

13 (B) "Watercraft" does not include a tug boat or barge.

14
15 26-63-402. Tourism tax.

16 In addition to the gross receipts tax levied by the Arkansas Gross
17 Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax
18 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,
19 there is levied a tourism tax at the rate of two percent (2%) on the gross
20 proceeds or gross receipts derived from the following:

21 (1)(A)(i) The service of furnishing a condominium, townhouse, or
22 rental house to a transient guest; and

23 (ii) The service of furnishing a guest room, suite,
24 or other accommodation by a hotel, motel, lodging house, tourist camp,
25 tourist court, property management company, or any other provider of an
26 accommodation to a transient guest.

27 (B) As used in this subdivision (1), "transient guest"
28 means a person that rents an accommodation, other than the person's regular
29 place of abode, on less than a month-to-month basis;

30 (2) A camping fee at a public or privately owned campground,
31 except at a federal campground;

32 (3) The following items offered for rent by a boat dock, marina,
33 canoe or raft rental business, or other business engaged in the rental of
34 watercraft:

35 (A) Watercraft;

36 (B) Boat motor and related boat motor equipment;

- 1 (C) Life jacket or cushion;
- 2 (D) Water skis; or
- 3 (E) Oar or paddle; and
- 4 (4) The admission price to a tourist attraction.

5

6 26-63-403. Applicability - Political subdivisions - Churches and
 7 charitable organizations.

8 (a) The gross receipts or gross proceeds derived from the rental or
 9 sale of tangible personal property or a taxable service subject to the
 10 tourism tax levied by this subchapter by the State of Arkansas, any county,
 11 any municipality, or any other political subdivision of the state are not
 12 exempt from the tax.

13 (b)(1) The gross receipts or gross proceeds derived by a church or
 14 charitable organization from the admission price to a tourist attraction
 15 shall not be exempt from the tax levied by this subchapter;

16 (2) However, the gross receipts or gross proceeds derived from
 17 the sale or rental of other tangible personal property or a taxable service
 18 by a church or charitable organization shall be exempt from the tourism tax
 19 imposed by this subchapter, except where the organization is engaged in
 20 business for a profit.

21

22 26-63-404. Exemptions.

23 There is exempted from the tourism tax levied by this subchapter the
 24 following:

25 (1) The gross receipts or gross proceeds derived from the sale
 26 or rental of tangible personal property or taxable services to the Boy Scouts
 27 of America, chartered by the United States Congress in 1916, or the Girl
 28 Scouts of America, chartered by the United States Congress in 1950, or any of
 29 the scout councils in this state;

30 (2) Gross receipts or gross proceeds derived from the sale or
 31 rental of tangible personal property or taxable services to the Boys Clubs of
 32 America, chartered by the United States Congress in 1956, or any local
 33 councils or organizations of the Boys Clubs of America;

34 (3) The gross receipts or gross proceeds derived from the sale
 35 or rental of tangible personal property or taxable services to the Girls
 36 Clubs of America, or any local council or organization of the Girls Clubs of

1 America; or

2 (4) Gross receipts or gross proceeds derived from the sale or
 3 rental of tangible personal property or taxable services to 4-H Clubs and FFA
 4 Clubs in this state, to the Arkansas 4-H Foundation, the Arkansas Future
 5 Farmers of America Foundation, and the Arkansas Future Farmers of America
 6 Association.

7
 8 26-63-405. Tourism Development Trust Fund.

9 (a) There is created on the books of the Treasurer of State, the
 10 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
 11 be known as the "Tourism Development Trust Fund".

12 (b) The revenues derived from the tourism tax levied by this
 13 subchapter shall be remitted to the Treasurer of State who shall deposit the
 14 revenues into the State Treasury as special revenues and shall credit the
 15 revenues to the Tourism Development Trust Fund.

16 (c) All revenues collected under this subchapter and credited to the
 17 Tourism Development Trust Fund shall be used by the Department of Parks and
 18 Tourism exclusively for the promotion of tourism in Arkansas.

19
 20 SECTION 2. Arkansas Code § 26-52-310 is repealed.

21 ~~26-52-310. Short term rentals of tangible personal property.~~

22 ~~(a) As used in this section:~~

23 ~~(1) "Motor vehicle" means any vehicle required to be licensed~~
 24 ~~for highway use under Arkansas law; and~~

25 ~~(2) "Short term rental" means a rental or lease of tangible~~
 26 ~~personal property for a period of less than thirty (30) days, except rentals~~
 27 ~~or leases of motor vehicles, trailers, or farm machinery and equipment.~~

28 ~~(b)(1)(A) In addition to the gross receipts tax or compensating use~~
 29 ~~tax levied by this title, there is levied an additional tax of one percent~~
 30 ~~(1%) on the short term rental of tangible personal property.~~

31 ~~(B) The one percent (1%) tax levied by this section and~~
 32 ~~all other gross receipts taxes or compensating use taxes are applicable to a~~
 33 ~~short term rental regardless of whether tax was paid on the rental property~~
 34 ~~at the time of purchase.~~

35 ~~(2)(A) Property purchased for short term rental may be purchased~~
 36 ~~tax exempt for resale pursuant to § 26-52-401(12)(A).~~

1 ~~(B) The gross receipts tax or compensating use tax, except~~
 2 ~~for the additional one percent (1%) tax levied by this subsection, shall be~~
 3 ~~collected on a sale, other than a rental or lease, of property held tax~~
 4 ~~exempt for rental.~~

5 ~~(3) Nothing in this subsection shall affect the taxability of~~
 6 ~~any transaction prior to the effective date of this subsection.~~

7 ~~(c)(1) It shall be unlawful for any person engaged in the business of~~
 8 ~~renting licensed motor vehicles for a period of less than thirty (30) days to~~
 9 ~~include a surcharge on the rental of the motor vehicles for any gross~~
 10 ~~receipts taxes or compensating use taxes paid by the person.~~

11 ~~(2) Any person who violates this section shall be subject to a~~
 12 ~~fine not to exceed one thousand dollars (\$1,000).~~

13 ~~(d) The tax levied by this section shall not apply to the lease or~~
 14 ~~rental of a diesel truck leased or rented for commercial shipping or farm~~
 15 ~~machinery or farm equipment leased or rented for a commercial purpose.~~

16 ~~(e) The one percent (1%) tax levied by this section shall not apply to~~
 17 ~~a short term rental of tangible personal property which is subject to the two~~
 18 ~~percent (2%) tourism gross receipts tax levied by § 26-52-1001 et seq.~~

19
 20 SECTION 3. Arkansas Code § 26-52-311 is repealed.

21 ~~26-52-311. Rental vehicle tax.~~

22 ~~(a)(1)(A) In addition to the gross receipts tax or compensating use~~
 23 ~~tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.,~~
 24 ~~and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., there is~~
 25 ~~levied a tax to be known as the "rental vehicle tax".~~

26 ~~(B) The rental vehicle tax shall be levied on the gross~~
 27 ~~receipts or gross proceeds derived from the rental of a licensed motor~~
 28 ~~vehicle leased for a period of less than thirty (30) days.~~

29 ~~(C) The gross receipts or gross proceeds derived from the~~
 30 ~~rental shall be taxable whether or not the gross receipts tax levied by the~~
 31 ~~Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the compensating~~
 32 ~~use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et~~
 33 ~~seq., was paid at the time of registration.~~

34 ~~(2) The gross receipts or gross proceeds derived from the sale~~
 35 ~~of a motor vehicle to a person engaged in the business of renting licensed~~
 36 ~~motor vehicles shall be exempt from taxation under the gross receipts tax~~

1 levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., the
2 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §
3 26-53-101 et seq., and any municipal or county sales taxes if the motor
4 vehicle is used exclusively for the purpose of rentals for a period of less
5 than thirty (30) days.

6 (b)(1) In addition to the rate in subsection (c) of this section, the
7 rental vehicle tax shall be levied at the rate of five percent (5%) and the
8 rate of any applicable municipal or county taxes.

9 (2) Except as provided otherwise in this section, the rental
10 vehicle tax shall be collected, reported, and paid in the same manner and at
11 the same time as is prescribed by law for the collection, reporting, and
12 payment of the gross receipts tax imposed by the Arkansas Gross Receipts Act
13 of 1941, § 26-52-101 et seq.

14 (3)(A)(i) The rental vehicle tax shall be remitted to the
15 Director of the Department of Finance and Administration who shall deposit
16 seventy five percent (75%) of the net revenues derived from the tax imposed
17 by this subsection into the Arkansas Public Transit Trust Fund, which is
18 created on the books of the Treasurer of State, the Auditor of State, and the
19 Chief Fiscal Officer of the State.

20 (ii) The moneys shall be used by the Arkansas State
21 Highway and Transportation Department for the purpose of acquiring federal
22 matching funds for the purchase of public transportation vehicles, for public
23 transit equipment or facilities, and for the operation of the United States
24 Department of Transportation Federal Transit Administration assistance
25 programs.

26 (B) The remaining twenty five percent (25%) of the
27 revenues shall be deposited into the Department of Education Public School
28 Fund Account to be used exclusively for teacher salaries.

29 (c)(1) There is also imposed another additional rental vehicle tax at
30 the rate of five percent (5%) on the gross receipts or gross proceeds derived
31 from the rental of a licensed motor vehicle leased for a period of less than
32 thirty (30) days.

33 (2) Except as provided otherwise in this section, the additional
34 rental vehicle tax shall be collected, reported, and paid in the same manner
35 and at the same time as is prescribed by law for the collection, reporting,
36 and payment of the gross receipts tax imposed by the Arkansas Gross Receipts

1 Act of 1941, § 26-52-101 et seq.

2 ~~(3)(A)(i) The rental vehicle tax shall be remitted to the~~
 3 ~~director, who shall deposit seventy five percent (75%) of the net revenues~~
 4 ~~derived from the tax imposed by this subsection into the Arkansas Public~~
 5 ~~Transit Trust Fund.~~

6 ~~(ii) The moneys shall be used by the Arkansas State~~
 7 ~~Highway and Transportation Department for the purpose of acquiring federal~~
 8 ~~matching funds for the purchase of public transportation vehicles, for public~~
 9 ~~transit equipment or facilities, and for the operation of the United States~~
 10 ~~Department of Transportation Federal Transit Administration assistance~~
 11 ~~programs.~~

12 ~~(B) The remaining twenty five percent (25%) of the~~
 13 ~~revenues shall be deposited in the Department of Education Public School Fund~~
 14 ~~Account to be used exclusively for teacher salaries.~~

15 ~~(d)(1) It shall be unlawful for any person engaged in the business of~~
 16 ~~renting licensed motor vehicles for a period of less than thirty (30) days to~~
 17 ~~include a surcharge on the rental of the motor vehicles for any gross~~
 18 ~~receipts taxes or compensating use taxes paid by the person.~~

19 ~~(2) Any person who violates this section shall be subject to a~~
 20 ~~fine not to exceed one thousand dollars (\$1,000).~~

21 ~~(e) The rental vehicle tax levied by this section shall not apply to~~
 22 ~~the lease or rental of a diesel truck leased or rented for commercial~~
 23 ~~shipping or farm machinery or to farm equipment leased or rented for a~~
 24 ~~commercial purpose.~~

25 ~~(f) The rental vehicle tax shall not apply to a gasoline powered or~~
 26 ~~diesel powered truck leased or rented for residential moving or shipping.~~

27
 28 SECTION 4. Arkansas Code § 26-52-312 is repealed.

29 ~~26-52-312. Residential moving tax.~~

30 ~~(a)(1) A commercial/residential moving tax at the rate of four and~~
 31 ~~one half percent (4 1/2%) shall apply to the short term rental of gasoline or~~
 32 ~~diesel powered trucks rented or leased for residential moving or shipping.~~

33 ~~(2) The four and one half percent (4 1/2%) residential moving tax~~
 34 ~~shall also apply to the sale of any tangible personal property sold in~~
 35 ~~conjunction with the rental or lease of a gasoline or diesel powered truck~~
 36 ~~rented or leased for residential moving or shipping.~~

1 ~~(b) Except as provided otherwise in this section, the tax shall be~~
 2 ~~collected, reported, and paid in the same manner and at the same time as is~~
 3 ~~prescribed by law for the collection, reporting, and payment of the tax~~
 4 ~~imposed by the Arkansas gross receipts tax, § 26-52-101 et seq.~~

5
 6 SECTION 5. Arkansas Code § 26-52-313 is repealed.

7 ~~26-52-313. Long-term rental vehicle tax.~~

8 ~~(a) There is levied a tax to be known as the "long-term rental vehicle~~
 9 ~~tax". The long-term rental vehicle tax shall be levied at the rate of one and~~
 10 ~~one-half percent (1.5%) on the gross receipts or gross proceeds derived from~~
 11 ~~rentals of licensed motor vehicles leased for a period of thirty (30) days or~~
 12 ~~more. The gross receipts or gross proceeds derived from the rentals shall be~~
 13 ~~taxable only if the Arkansas Gross Receipts Tax, § 26-52-101 et seq., or~~
 14 ~~compensating tax, § 26-53-101 et seq., was not paid at the time of~~
 15 ~~registration.~~

16 ~~(b) The tax shall be collected, reported, and paid in the same manner~~
 17 ~~and at the same time as is prescribed by law for the collection, reporting,~~
 18 ~~and payment of the tax imposed by the Arkansas Gross Receipts Tax, § 26-52-~~
 19 ~~101 et seq. If the Chief Fiscal Officer certifies that ten percent (10%) or~~
 20 ~~more of all new motor vehicles registered in Arkansas during a calendar year~~
 21 ~~are leased vehicles based on information and statistics from a reliable~~
 22 ~~source, such as R.L. Polk & Co., then the "long-term rental vehicle tax"~~
 23 ~~shall expire on June 30 of the fiscal year following the calendar year for~~
 24 ~~which such certification is made.~~

25 ~~(c) The rental vehicle tax shall be remitted to the Director of the~~
 26 ~~Department of Finance and Administration and shall be deposited in the State~~
 27 ~~Treasury as general revenues.~~

28 ~~(d) Nothing in this section shall apply to the lease or rental of~~
 29 ~~diesel trucks rented or leased for commercial shipping or farm machinery or~~
 30 ~~farm equipment rented or leased for a commercial purpose.~~

31 ~~(e) The long-term rental vehicle tax shall not apply to gasoline or~~
 32 ~~diesel-powered trucks rented or leased for residential moving or shipping.~~

33
 34 SECTION 6. Arkansas Code § 26-52-1001 is repealed.

35 ~~26-52-1001. Definitions.~~

36 ~~For the purposes of this subchapter:~~

1 ~~(1) "Camping fees" means fees for furnishing camping spaces or~~
 2 ~~trailer spaces on less than a month to month basis;~~

3 ~~(2)(A) "Tourist attraction" means theme parks, water parks,~~
 4 ~~water slides, river boat and lake boat cruises and excursions, local~~
 5 ~~sightseeing and excursion tours, helicopter tours, excursion railroads,~~
 6 ~~carriage rides, horse racing, dog racing, car racing, indoor and outdoor~~
 7 ~~plays or music shows, folk centers, observation towers, privately owned or~~
 8 ~~operated museums, privately owned historic sites or buildings, and natural~~
 9 ~~formations such as springs, bridges, rock formations, caves, and caverns;~~

10 ~~(B) "Tourist attraction" shall not include:~~

11 ~~(i) Special events;~~

12 ~~(ii) Events of a school, college, or university; or~~

13 ~~(iii) Events of restaurants, coffee shops, dinner~~
 14 ~~theaters which admit dinner guests only, cafes, cafeterias, and other public~~
 15 ~~eating establishments which are open for business every month of the year;~~

16 ~~(3) "Special events" means any attraction, festival, or other~~
 17 ~~event of not more than fourteen (14) days' duration;~~

18 ~~(4) "Watercraft" means boats, canoes, kayaks, sailboats, party~~
 19 ~~barges, rafts, jet skis, houseboats, and amphibious vehicles. "Watercraft"~~
 20 ~~shall not include tug boats and barges.~~

21
 22 SECTION 7. Arkansas Code § 26-52-1002 is repealed.

23 ~~26-52-1002. Taxable sales and rentals.~~

24 ~~In addition to all other taxes, there is levied an excise tax of two~~
 25 ~~percent (2%) on the gross proceeds or gross receipts derived from the sale or~~
 26 ~~rental of the following:~~

27 ~~(1)(A)(i) The service of furnishing condominiums, townhouses, or~~
 28 ~~rental houses to transient guests; and~~

29 ~~(ii) The service of furnishing guest rooms, suites,~~
 30 ~~or other accommodations by hotels, motels, lodging houses, tourist camps,~~
 31 ~~tourist courts, property management companies, or any other provider of~~
 32 ~~accommodations to transient guests.~~

33 ~~(B) The term "transient guests" being defined for the~~
 34 ~~purpose of this subdivision as those who rent accommodations, other than~~
 35 ~~their regular place of abode, on less than a month to month basis;~~

36 ~~(2) Camping fees at public or privately owned campgrounds,~~

1 ~~except for federal campgrounds;~~

2 ~~(3) The following items rented by boat docks, marinas, canoe and~~
 3 ~~raft rental businesses, or other businesses engaged in the rental of~~
 4 ~~watercraft;~~

5 ~~(A) Watercraft;~~

6 ~~(B) Boat motors and related motor equipment;~~

7 ~~(C) Life jackets and cushions;~~

8 ~~(D) Water skis; or~~

9 ~~(E) Oars or paddles;~~

10 ~~(4) The admission price to tourist attractions.~~

11
 12 SECTION 8. Arkansas Code § 26-52-1003 is repealed.

13 ~~26-52-1003. Applicability Political subdivisions Churches and~~
 14 ~~charitable organizations.~~

15 ~~(a) The gross receipts or gross proceeds derived from rentals or sales~~
 16 ~~of items subject to the tax levied by this subchapter by the State of~~
 17 ~~Arkansas, any county, any municipality, or any other political subdivision of~~
 18 ~~the state shall not be exempt from the tax.~~

19 ~~(b)(1) The gross receipts or gross proceeds derived by a church or~~
 20 ~~charitable organization from the admission price to a tourist attraction~~
 21 ~~shall not be exempt from the tax levied by this subchapter;~~

22 ~~(2) However, the gross receipts or gross proceeds derived from~~
 23 ~~the sale or rental of other tangible personal property or services by a~~
 24 ~~church or charitable organization shall be exempt from the tax imposed by~~
 25 ~~this subchapter, except where the organization is engaged in business for~~
 26 ~~profit.~~

27
 28 SECTION 9. Arkansas Code § 26-52-1004 is repealed.

29 ~~26-52-1004. Exemptions.~~

30 ~~There is specifically exempted from the tax imposed by this subchapter~~
 31 ~~the following:~~

32 ~~(1) The gross receipts or gross proceeds derived from the sale~~
 33 ~~or rental of tangible personal property or services to the Boy Scouts of~~
 34 ~~America, chartered by the United States Congress in 1916, or the Girl Scouts~~
 35 ~~of America, chartered by the United States Congress in 1950, or any of the~~
 36 ~~scout councils in the State of Arkansas;~~

1 ~~(2) Gross receipts or gross proceeds derived from the sale or~~
 2 ~~rental of tangible personal property or services to the Boys Clubs of~~
 3 ~~America, chartered by the United States Congress in 1956, or any local~~
 4 ~~councils or organizations of the Boys Clubs of America;~~

5 ~~(3) The gross receipts or gross proceeds derived from the sale~~
 6 ~~or rental of tangible personal property or services to the Girls Clubs of~~
 7 ~~America, or any local councils or organizations of the Girls Clubs of~~
 8 ~~America; or~~

9 ~~(4) Gross receipts or gross proceeds derived from the sale or~~
 10 ~~rental of tangible personal property or services to 4 H Clubs and FFA Clubs~~
 11 ~~in this state, to the Arkansas 4 H Foundation, the Arkansas Future Farmers of~~
 12 ~~America Foundation, and the Arkansas Future Farmers of America Association.~~

13
 14 SECTION 10. Arkansas Code § 26-52-1005 is repealed.

15 ~~26-52-1005. Collection, reporting, and payment.~~

16 ~~Except as provided in this subchapter, the tax imposed by this~~
 17 ~~subchapter shall be collected, reported, and paid in the same manner and at~~
 18 ~~the same time as prescribed by law for the collection, reporting, and payment~~
 19 ~~of all other Arkansas gross receipts taxes.~~

20
 21 SECTION 11. Arkansas Code § 26-52-1006 is repealed.

22 ~~26-52-1006. Tourism Development Trust Fund.~~

23 ~~(a) The revenues derived from the tax proposed by this subchapter~~
 24 ~~shall be remitted to the State Treasurer who shall deposit the same in the~~
 25 ~~State Treasury as special revenues and shall credit the same to a special~~
 26 ~~trust fund to be known as the "Tourism Development Trust Fund", which is~~
 27 ~~hereby created on the books of the State Treasurer, State Auditor, and the~~
 28 ~~Chief Fiscal Officer of the State.~~

29 ~~(b) All funds collected under this subchapter and credited to the~~
 30 ~~Tourism Development Trust Fund shall be used by the Department of Parks and~~
 31 ~~Tourism exclusively for the promotion of tourism in Arkansas.~~

32
 33 SECTION 12. Arkansas Code § 14-20-112(a)(1)(B), concerning the county
 34 gross receipts tax on hotels and restaurants, is amended to read as follows:

35 (B) Any county in which there is located a municipality
 36 that levies a gross receipts tax on hotels, motels, and restaurants as

1 authorized in § 26-75-701 et seq. may levy by ordinance of the county quorum
 2 court a like tax at the same rate as the levying municipality or at a lesser
 3 rate upon the furnishing of hotel and motel accommodations, the admission
 4 price to tourist attractions as defined in ~~§ 26-52-1001~~ § 26-63-401, the
 5 gross receipts of gift shops referred to in § 26-75-701, restaurants, and
 6 similar establishments located within any township in the county outside the
 7 boundaries of the levying municipality.

8
 9 SECTION 13. Arkansas Code § 15-11-507(b)(1)(A)(i)(c), concerning
 10 tourism attraction project sales tax credit, is amended to read as follows:

11 (c) The sales tax credit memorandum shall not
 12 include an offset of the tourism tax levied under ~~§ 26-52-1001 et seq.~~ § 26-
 13 63-401 et seq.

14
 15 SECTION 14. Arkansas Code § 15-11-511(b) and (c), concerning special
 16 rules for qualified amusement parks, is amended to read as follows:

17 (b)(1) A qualified amusement park may claim the sales tax credit
 18 provided in § 15-11-507 against its liability for:

19 (A) Gross receipts tax levied under the Arkansas Gross
 20 Receipts Act of 1941, § 26-52-101 et seq.; and

21 (B) Tourism gross receipts tax levied under ~~§ 26-52-1001~~
 22 ~~et seq.~~ § 26-63-401 et seq.

23 (2) A qualified amusement park may not claim the sales tax
 24 credit against any other taxes collected by the state other than as provided
 25 in this section.

26 (3) An approved company other than a qualified amusement park
 27 may only claim the sales tax credit provided in § 15-11-507 against the gross
 28 receipts tax levied under the Arkansas Gross Receipts Act of 1941, § 26-52-
 29 101 et seq.

30 (4) The sales tax credit provided in this section to a qualified
 31 amusement park may be carried forward and used in the same manner as provided
 32 in § 15-11-507(c).

33 (c) A qualified amusement park entitled to any unused sales tax
 34 credits on March 1, 2005, may use the sales tax credits to offset its
 35 liability for:

36 (1) Gross receipts tax levied under the Arkansas Gross Receipts

1 Act of 1941, § 26-52-101 et seq., for the remaining carry-forward period as
 2 provided in § 15-11-507(c) and calculated from the date of original issuance
 3 of the sales tax credit memorandum; and

4 (2)(A) Tourism gross receipts tax levied under ~~§ 26-52-1001 et~~
 5 ~~seq.~~ § 26-63-401 et seq. for a period of ten (10) years beginning on March 1,
 6 2005.

7 (B) At the end of the ten-year period, the qualified
 8 amusement park shall not be allowed to use any unused credits against tourism
 9 gross receipts tax levied under ~~§ 26-52-1001 et seq.~~ § 26-63-401 et seq.

10
 11 SECTION 15. Arkansas Code § 19-5-305(b)(7), concerning the Public
 12 School Fund, is amended to read as follows:

13 (7) Additional rental vehicle tax revenues in excess of two
 14 million eight hundred and fifty thousand dollars (\$2,850,000), ~~§ 26-52-~~
 15 ~~311(e)-(3)~~ § 26-63-302, to be used exclusively for teacher salaries; and

16
 17 SECTION 16. Arkansas Code § 19-5-1126(b), concerning the Arkansas
 18 Public Transit Trust Fund, is amended to read as follows:

19 (b) The fund shall consist of the first two million eight hundred
 20 fifty thousand dollars (\$2,850,000) of the net revenues derived each year
 21 from the additional rental vehicle tax as imposed by ~~§ 26-52-311(e)~~, § 26-63-
 22 302.

23
 24 SECTION 17. Arkansas Code § 19-6-201(36), concerning general revenues,
 25 is amended to read as follows:

26 (36) Long-term rental vehicle tax, ~~§ 26-52-313~~ § 26-63-304;

27
 28 SECTION 18. Arkansas Code § 19-6-201(40), concerning general revenues,
 29 is amended to read as follows:

30 (40) Short-term rental of tangible personal property tax, ~~§ 26-~~
 31 ~~52-310~~ § 26-63-301;

32
 33 SECTION 19. Arkansas Code § 19-6-201(43) and (44), concerning general
 34 revenues, are amended to read as follows:

35 (43) Rental vehicle tax, ~~§ 26-52-311~~ § 26-63-302;

36 (44) Residential moving tax, ~~§ 26-52-312~~ § 26-63-303;

1
2 SECTION 20. Arkansas Code § 19-6-301(146), concerning special
3 revenues, is amended to read as follows:

4 (146) Two percent (2%) of gross receipts derived from the sale
5 or rental on certain items related to tourism, ~~§ 26-52-1002~~ § 26-63-402;

6
7 SECTION 21. Arkansas Code § 26-52-423 is amended to read as follows:
8 26-52-423. Natural gas used to make glass.

9 The gross receipts or gross proceeds derived from sales of natural gas
10 used as fuel in the process of manufacturing glass is hereafter exempt from
11 the Arkansas gross receipts tax levied by §§ 26-52-301, and 26-52-302, ~~and~~
12 ~~26-52-1002~~, and the Arkansas compensating use tax levied by §§ 26-53-106 and
13 26-53-107, and all city and county sales and use taxes.

14
15 SECTION 22. Arkansas Code § 26-52-424 is amended to read as follows:
16 26-52-424. Sales to Fort Smith Clearinghouse.

17 The gross receipts or gross proceeds derived from sales to Fort Smith
18 Clearinghouse are hereafter exempt from the Arkansas gross receipts tax
19 levied by §§ 26-52-301, 26-52-302, and ~~26-52-1002~~ 26-63-402, and the Arkansas
20 compensating use tax levied by §§ 26-53-106 and 26-53-107, and from all city
21 and county sales and use taxes.

22
23 SECTION 23. Arkansas Code § 26-52-435(a), concerning wall and floor
24 tile manufacturers, is amended to read as follows:

25 (a) The gross receipts or gross proceeds derived from sales of
26 electricity and natural gas used in the process of manufacturing wall and
27 floor tile by manufacturers of tile classified in Standard Industrial
28 Classification 3253 are exempt from the Arkansas gross receipts tax levied by
29 §§ 26-52-301, and 26-52-302, ~~and 26-52-1002~~, the Arkansas compensating use
30 tax levied by §§ 26-53-106 and 26-53-107, and all city and county sales and
31 use taxes.

32
33 SECTION 24. Arkansas Code § 26-53-134 is amended to read as follows:
34 26-53-134. Exemption for natural gas used in manufacture of glass.

35 The gross receipts or gross proceeds derived from sales of natural gas
36 used as fuel in the process of manufacturing glass is hereafter exempt from

1 the Arkansas gross receipts tax levied by §§ 26-52-301, and 26-52-302, ~~and~~
 2 ~~26-52-1002~~, and the Arkansas compensating use tax levied by §§ 26-53-106 and
 3 26-53-107, and all city and county sales and use taxes.

4
 5 SECTION 25. Arkansas Code § 26-53-135 is amended to read as follows:
 6 26-53-135. Exemption for sales to Fort Smith Clearinghouse.

7 The gross receipts or gross proceeds derived from sales to Fort Smith
 8 Clearinghouse are hereafter exempt from the Arkansas gross receipts tax
 9 levied by §§ 26-52-301, 26-52-302, and ~~26-52-1002~~ 26-63-402, and the Arkansas
 10 compensating use tax levied by §§ 26-53-106 and 26-53-107, and from all city
 11 and county sales and use taxes.

12
 13 SECTION 26. Arkansas Code § 26-53-143(a), concerning wall and floor
 14 tile manufacturers, is amended to read as follows:

15 (a) The gross receipts or gross proceeds derived from sales of
 16 electricity and natural gas used in the process of manufacturing wall and
 17 floor tile by manufacturers of tile classified in Standard Industrial
 18 Classification 3253 are exempt from the Arkansas gross receipts tax levied by
 19 §§ 26-52-301, and 26-52-302, ~~and 26-52-1002~~, the Arkansas compensating use
 20 tax levied by §§ 26-53-106 and 26-53-107, and all city and county sales and
 21 use taxes.

22
 23 SECTION 27. Arkansas Code § 26-74-102 is amended to read as follows:
 24 26-74-102. Natural gas used to make glass.

25 The gross receipts or gross proceeds derived from sales of natural gas
 26 used as fuel in the process of manufacturing glass is hereafter exempt from
 27 the Arkansas gross receipts tax levied by §§ 26-52-301, and 26-52-302, ~~and~~
 28 ~~26-52-1002~~, and the Arkansas compensating use tax levied by §§ 26-53-106 and
 29 26-53-107, and all city and county sales and use taxes.

30
 31 SECTION 28. Arkansas Code § 26-74-103 is amended to read as follows:
 32 26-74-103. Fort Smith Clearinghouse.

33 The gross receipts or gross proceeds derived from sales to Fort Smith
 34 Clearinghouse are hereafter exempt from the Arkansas gross receipts tax
 35 levied by §§ 26-52-301, 26-52-302, and ~~26-52-1002~~ 26-63-402, and the Arkansas
 36 compensating use tax levied by §§ 26-53-106 and 26-53-107, and from all city

1 and county sales and use taxes.

2

3 SECTION 29. Arkansas Code § 26-75-101 is amended to read as follows:

4 26-75-101. Natural gas used to make glass.

5 The gross receipts or gross proceeds derived from sales of natural gas
 6 used as fuel in the process of manufacturing glass is hereafter exempt from
 7 the Arkansas gross receipts tax levied by §§ 26-52-301, and 26-52-302, ~~and~~
 8 ~~26-52-1002~~, and the Arkansas compensating use tax levied by §§ 26-53-106 and
 9 26-53-107, and all city and county sales and use taxes.

10

11 SECTION 30. Arkansas Code § 26-75-102 is amended to read as follows:

12 26-75-102. Fort Smith Clearinghouse.

13 The gross receipts or gross proceeds derived from sales to Fort Smith
 14 Clearinghouse are hereafter exempt from the Arkansas gross receipts tax
 15 levied by §§ 26-52-301, 26-52-302, and ~~26-52-1002~~ 26-63-402, and the Arkansas
 16 compensating use tax levied by §§ 26-53-106 and 26-53-107, and from all city
 17 and county sales and use taxes.

18

19 SECTION 31. Arkansas Code § 26-75-701(a)(4), concerning municipal tax
 20 on tourist attractions, is amended to read as follows:

21 (4) Admission price to tourist attractions, as defined in ~~§ 26-~~
 22 ~~52-1001~~ § 26-63-401.

23

24 SECTION 32. Effective Date. Sections 1-31 of this act will become
 25 effective on January 1, 2008.

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