

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: S1/30/07 S2/6/07

A Bill

SENATE BILL 31

5 By: Senators Madison, *Salmon*
6 By: Representatives Harrelson, Burris
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For An Act To Be Entitled

9 AN ACT TO PROHIBIT REFERRALS TO WEBSITES OF
10 TEXTBOOK *RETAILERS* THAT ARE NOT REQUIRED TO
11 COLLECT AND DO NOT AGREE TO PAY ARKANSAS SALES
12 AND USE TAXES; AND FOR OTHER PURPOSES.
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Subtitle

15 TO PROHIBIT REFERRALS TO WEBSITES OF
16 TEXTBOOK *RETAILERS* THAT ARE NOT REQUIRED
17 AND DO NOT AGREE TO COLLECT ARKANSAS
18 SALES AND USE TAXES.
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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 6, Chapter 60, is amended to add an
25 additional subchapter to read as follows:
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Subchapter 6 – Textbooks and course materials

6-60-601. Website links for textbooks and course materials.

27 (a) No state-supported institution of higher education in this state
28 shall place or permit to be placed on its website or its bookstore's website
29 a link to the website of a retailer of textbooks or other educational
30 materials if the retailer:
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32 (1) Is not required to report and pay Arkansas sales and use
33 taxes; and
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35 (2) Does not obtain a use tax permit from the Department of
36 Finance and Administration and report and pay Arkansas sales and use taxes on



1 sales of textbooks and other educational materials to residents of this
2 state.

3 (b) This section is intended to promote the state's ability to provide
4 a quality but affordable higher education by strengthening the state's
5 relationship with textbook retailers that support the state's educational
6 mission by:

7 (1) Paying Arkansas sales and use taxes; and

8 (2) Interacting locally with state-supported institutions of
9 higher education.

10 (c) Nothing in this section prevents a faculty member from referring
11 students to any source for required or suggested textbooks or course
12 materials.

13 (d)(1) A violation of subsection (a) of this section shall be reported
14 to the Department of Finance and Administration.

15 (2) If the Department of Finance and Administration determines
16 that a violation of subsection (a) of this section has occurred, it shall
17 notify the state-supported institution of higher education of the violation.

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19 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
20 General Assembly of the State of Arkansas that many retailers of textbooks
21 outside of the State of Arkansas do not pay sales and use taxes to the state
22 for in-state sales; that the additional revenue to be generated by the
23 passage of this act is needed to help provide the best state-supported higher
24 education possible; and that the loss of such sales and use tax revenue
25 should be stopped or limited immediately. Therefore, an emergency is declared
26 to exist and this act being immediately necessary for the preservation of the
27 public peace, health, and safety shall become effective on:

28 (1) The date of its approval by the Governor;

29 (2) If the bill is neither approved nor vetoed by the Governor,
30 the expiration of the period of time during which the Governor may veto the
31 bill; or

32 (3) If the bill is vetoed by the Governor and the veto is
33 overridden, the date the last house overrides the veto.

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/s/ Madison