

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 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: H3/13/09

A Bill

HOUSE BILL 1610

5 By: Representatives Garner, Adcock, J. Burris, Carnine, Carter, Cheatham, Clemmer, D. Creekmore,
6 Dismang, Dunn, English, Glidewell, Hall, Hobbs, Hopper, D. Hutchinson, Kerr, King, Lea, S. Malone,
7 M. Martin, Maxwell, Rice, Slinkard, Webb, Woods, *G. Smith, Ingram*
8 By: Senators G. Baker, Glover, J. Key, P. Malone
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For An Act To Be Entitled

10
11 AN ACT TO ALLOW A SALES AND USE TAX CREDIT FOR
12 *EXPENSES* INCURRED OR FOR THE RETENTION OF A
13 CERTIFIED SERVICE PROVIDER AS THE RESULT OF THE
14 CHANGES MADE DUE TO THE STREAMLINED SALES TAX
15 SOURCING RULES; AND FOR OTHER PURPOSES.
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Subtitle

17
18 AN ACT TO ALLOW A SALES AND USE TAX
19 CREDIT FOR *EXPENSES* INCURRED OR FOR THE
20 RETENTION OF A CERTIFIED SERVICE
21 PROVIDER AS THE RESULT OF THE CHANGES
22 MADE DUE TO THE STREAMLINED SALES TAX
23 SOURCING RULES.
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. Temporary - Do not codify
30 Credit for streamlined sales tax compliance.

31 (a) As used in this section:

32 (1) "Certified service provider" means an agent certified under
33 the Streamlined Sales and Use Tax Agreement, with whom the seller has
34 contracted for the collection and remittance of sales and use taxes;

35 (2) "Eligible taxpayer" means a taxpayer that:

36 (A) On December 31, 2008, was registered with the



1 Department of Finance and Administration and was engaged in making sales of
2 tangible personal property or taxable services that the taxpayer delivered to
3 physical locations away from its place of business; and

4 (B) During 2008 had:

5 (i) A physical presence in Arkansas;

6 (ii) Gross income from the business that was less
7 than one million dollars (\$1,000,000);

8 (iii) At least five percent (5%) of its gross income
9 from sales subject to sales and use tax derived from sales of tangible
10 personal property or taxable services delivered to a physical location away
11 from its place of business; and

12 (iv) At least one percent (1%) of its gross income
13 from sales subject to sales and use tax derived from deliveries of tangible
14 personal property or taxable services to destinations in local jurisdictions
15 imposing a local sales and use tax other than the local sales and use tax
16 where the taxpayer is currently located; and

17 (3) "Streamlined Sales and Use Tax Agreement" means the
18 multistate agreement to simplify and modernize sales and use tax
19 administration under § 26-21-101 et seq.

20 (b) An eligible taxpayer may either:

21 (1) Claim a sales and use tax credit against the gross receipts
22 tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.,
23 and the compensating use tax levied by the Arkansas Compensating Tax Act of
24 1949, § 26-53-101 et seq., that is collected and otherwise required to be
25 remitted by the taxpayer as a seller, for the amount paid to a certified
26 service provider during the period January 1, 2008, through December 31,
27 2009; or

28 (2) Claim a sales and use tax credit against the gross receipts
29 tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.,
30 and the compensating use tax levied by the Arkansas Compensating Tax Act of
31 1949, § 26-53-101 et seq., collected and otherwise required to be remitted by
32 the taxpayer as a seller, for the amount of costs incurred during the period
33 January 1, 2007, through December 31, 2009, in order to comply with changes
34 in local sales and use tax sourcing rules implemented under §§ 26-52-521 and
35 26-52-522.

36 (c) All sales and use tax reports must be filed electronically for the

1 year in which the sales and use tax credit under this section is claimed.

2 (d) The total amount of the sales and use tax credit under this
3 section may not exceed one thousand dollars (\$1,000) per year.

4 (e) Any unused sales and use tax credit under this section may be
5 carried forward for up to three (3) years.

6 (f) The amount of the sales and use tax credit under this section
7 shall not exceed the sales tax paid and a refund shall not be granted for any
8 unused sales and use tax credit under this section.

9 (g) The costs that may be used in the calculation of the sales and use
10 tax credit under this section shall be for the purpose of complying with the
11 sourcing rules under §§ 26-52-521 and 26-52-522 and may include tangible
12 personal property and outside services purchased.

13 (h) A taxpayer that receives a sales and use tax credit under this
14 section but is not an eligible taxpayer is immediately liable to the
15 department for the amount of sales and use tax credit received plus any
16 interest and penalties.

17 (i) The Director of the Department of Finance and Administration shall
18 promulgate rules for the proper administration of this section.

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20 /s/ Garner
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