

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H3/11/11

A Bill

HOUSE BILL 2153

5 By: Representative D. Altes
6

For An Act To Be Entitled

8 AN ACT TO REPLACE THE GROSS RECEIPTS AND COMPENSATING
9 USE TAX ON WRECKER AND TOWING SERVICES WITH AN EXCISE
10 TAX ON WRECKER AND TOWING SERVICES; AND FOR OTHER
11 PURPOSES.
12
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Subtitle

14 TO REPLACE THE GROSS RECEIPTS AND
15 COMPENSATING USE TAX ON WRECKER AND
16 TOWING SERVICES WITH AN EXCISE TAX ON
17 WRECKER AND TOWING SERVICES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 *SECTION 1. Arkansas Code § 26-52-301(3)(D), regarding the levy of the*
24 *gross receipts tax, is amended to read as follows:*

25 *(D)(i) Service of:*

26 *(a) Providing transportation or delivery of*
27 *money, property, or valuables by armored car;*

28 *(b) Providing cleaning or janitorial work;*

29 *(c) Pool cleaning and servicing;*

30 *(d) Pager services;*

31 *(e) Telephone answering services;*

32 *(f) Lawn care and landscaping services;*

33 *(g) Parking a motor vehicle or allowing the*
34 *motor vehicle to be parked;*

35 *(h) Storing a motor vehicle;*

36 *(i) Storing furs; and*



1 (j) Providing indoor tanning at a tanning
2 salon.

3 (ii) As used in subdivision (3)(D)(i) of this
4 section:

5 (a) "Landscaping" means the installation,
6 preservation, or enhancement of ground covering by planting trees, bushes and
7 shrubbery, grass, flowers, and other types of decorative plants;

8 (b) "Lawn care" means the maintenance,
9 preservation, or enhancement of ground covering of nonresidential property
10 and does not include planting trees, bushes and shrubbery, grass, flowers,
11 and other types of decorative plants; ~~and~~

12 (c) "Residential" means a single family
13 residence used solely as the principal place of residence of the owner; and

14 (d) "Storing a motor vehicle" does not include
15 storage after the vehicle has been towed or removed if the storage is subject
16 to the Excise Tax on Wrecker, Towing, and Storage Services Act, § 26-63-501
17 et seq.

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19 SECTION 2. Arkansas Code § 26-52-316(a), regarding services subject to
20 the gross receipts tax, is amended to read as follows:

21 (a) The gross proceeds or gross receipts derived from the following
22 services are subject to this chapter:

- 23 ~~(1) Wrecker and towing services;~~
24 ~~(2)(1) Collection and disposal of solid wastes;~~
25 ~~(3)(2) The cleaning of parking lots and gutters;~~
26 ~~(4)(3) Dry cleaning and laundry services;~~
27 ~~(5)(4) Industrial laundry services;~~
28 ~~(6)(5) Body piercing, tattooing, and electrolysis services;~~
29 ~~(7)(6) Pest control services;~~
30 ~~(8)(7) Security and alarm monitoring services;~~
31 ~~(9)(8) Boat storage and docking fees;~~
32 ~~(10)(9) The furnishing of camping spaces or trailer spaces at~~
33 ~~public or privately owned campgrounds, except for federal campgrounds, on~~
34 ~~less than a month-to-month basis;~~
35 ~~(11)(10) Locksmith services; and~~
36 ~~(12)(11) Pet grooming and kennel services.~~

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2 SECTION 3. Arkansas Code Title 26, Chapter 63, is amended to add an
3 additional subchapter to read as follows:

4 Subchapter 5 –

5 Excise Tax on Wrecker, Towing, and Storage Services Act

6
7 26-63-501. Title.

8 This subchapter is known and may be cited as the “Excise Tax on
9 Wrecker, Towing, and Storage Services Act”.

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11 26-63-502. Definitions.

12 As used in this subchapter:

13 (1) “Administrative services” means the administrative
14 activities related to providing wrecker and towing services and includes:

15 (A) Labor services for cargo recovery;

16 (B) Removal of debris;

17 (C) Providing statutory notices; and

18 (D) Processing of paperwork;

19 (2) “Storage services” means the impounding or holding of a
20 vehicle, trailer, or semitrailer related to providing wrecker and towing
21 services; and

22 (3)(A) “Wrecker and towing services” means the pushing, pulling,
23 carrying, or hoisting of any vehicle, trailer, or semitrailer from an initial
24 point of service to some other destination.

25 (B) “Wrecker and towing services” includes the rendering,
26 furnishing, or performing of a removal service on a damaged, disabled,
27 immovable, or nonoperable vehicle, trailer, or semitrailer from a location
28 such as a ditch, pond, hole, or other place before towing.

29 (C) “Wrecker and towing services” does not include the
30 transportation of a motor vehicle to or from a new or used car dealership for
31 the purpose of placing the motor vehicle into inventory for sale or returning
32 the motor vehicle to an automobile auction for sale.

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34 26-63-503. Tax levied.

35 (a) In lieu of the gross receipts tax levied by the Arkansas Gross
36 Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax

1 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,
2 there is levied a wrecker, towing, administration, and storage tax at the
3 rate of ten percent (10%) on the gross proceeds or gross receipts derived
4 from the following:

5 (1) The furnishing of wrecker and towing services when both the
6 origin and destination of towing services are performed within this state;

7 (2) The furnishing of storage services within this state; and

8 (3) Administrative services performed in this state.

9 (b) Except as provided under the Arkansas Constitution or federal law,
10 an exemption under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et
11 seq., does not apply to this subchapter.

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13 SECTION 4. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
14 to add an additional section to read as follows:

15 26-52-444. Limitation on gross receipts tax on sale of tow vehicle.

16 (a) As used in this section, "tow vehicle" means a vehicle subject to
17 registration under § 27-14-601(a)(3)(J)(i) that is used exclusively to tow,
18 recover, upright, transport, or otherwise facilitate the movement of other
19 vehicles on public highways, roads, and streets.

20 (b) The gross receipts or gross proceeds in excess of nine thousand
21 one hundred fifty dollars (\$9,150) derived from the sale of a tow vehicle to
22 a person engaged in the business of providing wrecker and towing services who
23 is licensed by the Arkansas Towing and Recovery Board under § 27-50-1201 et
24 seq. are exempt from taxation under:

25 (1) The gross receipts tax levied by the Arkansas Gross Receipts
26 Act of 1941, § 26-52-101 et seq.;

27 (2) The compensating use tax levied by the Arkansas Compensating
28 Tax Act of 1949, § 26-53-101 et seq.; and

29 (3) Any municipal or county sales tax.

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31 /s/D. Altes
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