

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

As Engrossed: H3/11/11 H3/23/11

# A Bill

HOUSE BILL 2153

5 By: Representatives *Johnston, 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  
13

### 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.  
18  
19  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

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.

18  
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.~~



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 eight percent (8%) 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) Twenty-five percent (25%) of the revenues collected under this  
10 section shall be deposited by the Treasurer of State into the Identification  
11 Pending Trust Fund for Local Sales and Use Taxes and distributed according to  
12 § 19-5-957(b)(2)(A).

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

16  
17 SECTION 4. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended  
18 to add an additional section to read as follows:

19 26-52-444. Limitation on gross receipts tax on sale of tow vehicle.

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

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

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

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

33 (3) Any municipal or county sales or use tax.

34  
35 SECTION 5. Arkansas Code § 19-5-957(b), concerning the Identification  
36 Pending Trust Fund for Local Sales and Use Taxes, is amended to read as

1 follows:

2 (b)(1)(A) ~~Such fund~~ The Identification Pending Trust Fund for Local  
 3 Sales and Use Taxes shall consist of money reported as local sales and use  
 4 taxes collected in local taxing jurisdictions ~~which~~ that are not immediately  
 5 identifiable and money collected in local jurisdictions that have no tax,  
 6 there to be used for transfers to the Local Sales and Use Tax Trust Fund when  
 7 a local tax jurisdiction is identified for money and for transfers to general  
 8 revenues when the total amount in this fund exceeds fifty thousand dollars  
 9 (\$50,000) as set out in §§ 26-74-221 and 26-74-317, and

10 (B) Moneys under subdivision (b)(1)(A) of this section  
 11 shall be used for transfers to the Local Sales and Use Tax Trust Fund when a  
 12 local tax jurisdiction is identified and for transfers to general revenues  
 13 when the total amount in the Identification Pending Trust Fund for Local  
 14 Sales and Use Taxes exceeds fifty thousand dollars (\$50,000) as set out in §§  
 15 26-74-221 and 26-74-317.

16 (2)(A) The Identification Pending Trust Fund for Local Sales and  
 17 Use Taxes shall also shall consist of:

18 (i) vending Vending devices sales taxes, § 26-57-  
 19 1002(d)(2); ~~and that~~

20 (ii) The portion of vending devices decal fees and  
 21 penalties, under §§ 26-57-1206 and that is specified in § 26-57-1208(b)(2),  
 22 there to be distributed to cities and counties as provided in §§ 26-74-  
 23 221(a)(2)(C)(ii) and 26-75-223(a)(2)(C)(ii); and

24 (iii) The portion of revenues under the Excise Tax  
 25 on Wrecker, Towing, and Storage Services Act, § 26-63-501 et seq., that is  
 26 specified in § 26-63-503(b).

27 (B) Revenues under subdivision (b)(2)(A) of this section  
 28 shall be distributed to cities and counties as provided in §§ 26-74-  
 29 221(a)(2)(C)(ii) and 26-75-223(a)(2)(C)(ii).

31 SECTION 6. EFFECTIVE DATE. This act is effective on and after January  
 32 1, 2012.

34 /s/Johnston