

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

As Engrossed: H3/11/11 H3/23/11 S3/28/11

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.
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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.~~

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 § 19-5-957(b), concerning the Identification
 18 Pending Trust Fund for Local Sales and Use Taxes, is amended to read as
 19 follows:

20 (b)(1)(A) ~~Such fund~~ The Identification Pending Trust Fund for Local
 21 Sales and Use Taxes shall consist of money reported as local sales and use
 22 taxes collected in local taxing jurisdictions ~~which~~ that are not immediately
 23 identifiable and money collected in local jurisdictions that have no tax,
 24 there to be used for transfers to the Local Sales and Use Tax Trust Fund when
 25 a local tax jurisdiction is identified for money and for transfers to general
 26 revenues when the total amount in this fund exceeds fifty thousand dollars
 27 (~~\$50,000~~) as set out in §§ 26-74-221 and 26-74-317, and

28 (B) Moneys under subdivision (b)(1)(A) of this section
 29 shall be used for transfers to the Local Sales and Use Tax Trust Fund when a
 30 local tax jurisdiction is identified and for transfers to general revenues
 31 when the total amount in the Identification Pending Trust Fund for Local
 32 Sales and Use Taxes exceeds fifty thousand dollars (\$50,000) as set out in §§
 33 26-74-221 and 26-74-317.

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

36 (i) ~~vending~~ Vending devices sales taxes, § 26-57-

1 ~~1002(d)(2); and that~~

2 (ii) The portion of vending devices decal fees and
3 penalties, under §§ 26-57-1206 and that is specified in § 26-57-1208(b)(2),
4 there to be distributed to cities and counties as provided in §§ 26-74-
5 221(a)(2)(C)(ii) and 26-75-223(a)(2)(C)(ii); and

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

9 (B) Revenues under subdivision (b)(2)(A) of this section
10 shall be distributed to cities and counties as provided in §§ 26-74-
11 221(a)(2)(C)(ii) and 26-75-223(a)(2)(C)(ii).

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13 SECTION 5. EFFECTIVE DATE. This act is effective on and after January
14 1, 2012.

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16 /s/Johnston
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