1	State of Arkansas	A 70 '11		
2	89th General Assembly	A Bill		
3	Regular Session, 2013		SENATE BILL 718	
4				
5	By: Senator Files			
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7	1	For An Act To Be Entitled		
8	AN ACT TO CREATE CRIMINAL AND CIVIL PENALTIES FOR			
9	CERTAIN ACTIVITIES RELATING TO SOFTWARE AND OTHER			
10	DEVICES AND ME	CHANISMS THAT MODIFY OR FALSIF	FY	
11	ELECTRONIC REC	ORDS FOR THE PURPOSE OF EVADIN	NG TAXES;	
12	AND FOR OTHER	PURPOSES.		
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15		Subtitle		
16	TO CREATE	CRIMINAL AND CIVIL PENALTIES		
17	FOR CERTA	IN ACTIVITIES RELATING TO		
18	SOFTWARE	AND OTHER DEVICES AND MECHANIS	SMS	
19	THAT MODI	FY OR FALSIFY ELECTRONIC RECO	RDS	
20	FOR THE P	PURPOSE OF EVADING TAXES.		
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22				
23	BE IT ENACTED BY THE GENERA	AL ASSEMBLY OF THE STATE OF AF	RKANSAS:	
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25	D SECTION 1. Arkansas	Code § 5-37-101, concerning t	the definitions to be	
26		y and fraudulent practices, is	s amended to add	
27	additional subdivisions to			
28		nic cash register" means a dev	_	
29	register or supporting document by means of an electronic device or computer			
30	system designed to record transaction data for the purpose of computing,			
31		etail sales transaction data c	or a transaction	
32	report;			
33		ion data" means information co	_	
34 25		ncluding without limitation th	_	
35		items purchased by each custo		
36	(B) The	price for each item purchased	1;	

1	(C) A taxability determination for each item purchased;		
2	(D) A segregated tax amount for each taxed item purchased;		
3	(E) The amount of cash or credit tendered for each		
4	purchase;		
5	(F) The net amount returned to the customer in change;		
6	(G) The date and time of the purchase;		
7	(H) The name, address, and identification number of the		
8	vendor; and		
9	(I) The receipt or invoice number of the transaction; and		
10	(12) "Transaction report" means a report that includes without		
11	<pre>limitation:</pre>		
12	(A) The sales, taxes collected, media totals, and discount		
13	voids at an electronic cash register that is printed on cash register tape at		
14	the end of the day or shift; and		
15	(B) Each action at an electronic cash register that is		
16	stored electronically.		
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18	SECTION 2. Arkansas Code Title 5, Chapter 37, Subchapter 5, is amended		
19	to add an additional section to read as follows:		
20	5-37-505. Software and other devices and mechanisms used to falsify		
21	electronic records.		
22	(a) It is unlawful for a person to knowingly manufacture, sell, rent,		
23	lease, make available, purchase, install, transfer, possess, or use software		
24	or any other device or mechanism designed to falsify the electronic records		
25	of an electronic cash register or other point-of-sale system for the purpose		
26	of evading a tax due under Arkansas law.		
27	(b) A person that violates this section upon conviction is:		
28	(1) Guilty of a Class C felony; and		
29	(2) Liable for all taxes assessed by the Department of Finance		
30	and Administration under the Arkansas Tax Procedure Act, § 26-18-101 et seq.,		
31	as the result of the violation of this section.		
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33	SECTION 3. Arkansas Code Title 26, Chapter 18, Subchapter 5, is		
34	amended to add an additional section to read as follows:		
35	26-18-509. Liability for payment of taxes — Falsification of sales		
36	transaction records.		

T	A person who violates § 5-37-303 is liable to the state for a civil	
2	penalty equal to the total amount of the tax evaded, not collected, or not	
3	accounted for and paid over to the Director of the Department of Finance and	
4	Administration that results from the violation.	
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