

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015  
4

As Engrossed: H3/13/15

# A Bill

HOUSE BILL 1772

5 By: Representative J. Mayberry  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING THE DISCOUNT  
9 AVAILABLE TO TAXPAYERS FOR PROMPT SUBMISSION OF SALES  
10 TAXES RETURNS AND PAYMENTS; AND FOR OTHER PURPOSES.  
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## Subtitle

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14 TO AMEND THE LAW CONCERNING THE DISCOUNT  
15 AVAILABLE TO TAXPAYERS FOR PROMPT  
16 SUBMISSION OF SALES TAXES RETURNS AND  
17 PAYMENTS.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

23 (a) The General Assembly finds that:

24 (1) The practice of compensating retailers for collecting sales  
25 taxes originated in the 1930s;

26 (2) At the time this practice originated, records were kept  
27 mainly by hand, and as a result, it made sense to compensate retailers for  
28 the costs associated with collecting and remitting sales taxes;

29 (3) Retailers today use electronic cash registers and computers  
30 to track their gross receipts and sales tax collections, which reduces the  
31 time and resources required to collect and remit sales taxes; and

32 (4) As a result, there is less need to compensate retailers for  
33 the costs associated with collecting and remitting sales taxes.

34 (b) The General Assembly intends for this act to more appropriately  
35 compensate retailers today for the costs associated with collecting and  
36 remitting sales taxes while providing funding for:



1           (1) The College and Career Coaches Program, § 6-1-601 et seq.,  
2 which will help create a more skilled work force for businesses in the state  
3 to utilize in growing and expanding their businesses; and

4           (2) Additional positions for school nurses.

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6           SECTION 2. Arkansas Code § 26-52-503 is amended to read as follows:

7           26-52-503. Discount for ~~prompt~~ early payment.

8           (a) At the time of transmitting the returns required under this  
9 chapter to the Director of the Department of Finance and Administration, the  
10 taxpayer shall remit with the returns to the director ~~ninety-eight percent~~  
11 ~~(98%)~~ ninety-eight and five-tenths percent (98.5%) of the state tax due under  
12 ~~the applicable provisions of this chapter and ninety-eight percent (98%)~~  
13 ninety-eight and five-tenths percent (98.5%) of the city and county gross  
14 receipts taxes collected by the director.

15           (b) Failure of the taxpayer to remit the tax on or before the  
16 twentieth day of the applicable month shall cause the taxpayer to forfeit his  
17 or her claim to the discount, and the taxpayer ~~must~~ shall remit to the  
18 director one hundred percent (100%) of the amount of tax plus any penalty and  
19 interest due.

20           (c)(1)(A) ~~For tax payments made on or after February 1, 1993, the~~ The  
21 ~~discount for prompt early payment of state tax shall not exceed one thousand~~  
22 ~~dollars (\$1,000)~~ five hundred dollars (\$500) per month for a taxpayer filing  
23 monthly gross receipts tax reports.

24           (B) A taxpayer filing a tax report on a quarterly, annual,  
25 or occasional basis ~~shall be~~ is entitled to the discount for state tax, which  
26 shall not exceed ~~one thousand dollars (\$1,000)~~ five hundred dollars (\$500)  
27 for each month included in the tax report.

28           (2)(A) The aggregate state tax discount available to a taxpayer  
29 who operates more than one (1) permitted business location within this state  
30 and who does not file a consolidated monthly gross receipts tax report for  
31 all locations shall not exceed ~~one thousand dollars (\$1,000)~~ five hundred  
32 dollars (\$500) per month.

33           (B) In the case of a corporate taxpayer, parent  
34 corporation, that holds fifty percent (50%) or more of the outstanding shares  
35 of one (1) or more corporations, subsidiaries, that are subject to the tax  
36 imposed by this chapter, the aggregate state tax discount available to the

1 parent corporation and all subsidiaries shall not exceed ~~one thousand dollars~~  
2 ~~(\$1,000)~~ five hundred dollars (\$500) per month.

3 (C) ~~There shall be no limitation~~ The limitations on the  
4 discount for stated for state taxes under this section apply to prompt early  
5 payment of city and county gross receipts taxes collected by the director.

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7 SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective on the  
8 first day of the calendar quarter following the effective date of this act.

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10 /s/J. Mayberry  
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