

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4
5 By: Representative Jett
6

A Bill

HOUSE BILL 1033

For An Act To Be Entitled

8 AN ACT TO CLARIFY SALES TAX PROVISIONS RELATING TO
9 DIGITAL MAGAZINES AND CAR WASHES; TO REMOVE
10 EXTRANEOUS REFERENCES TO DIGITAL MAGAZINES IN THE
11 SALES TAX LAWS; TO CLARIFY THE EXEMPTION OF A CAR
12 WASH OPERATOR'S SALE OF A CAR WASH; AND FOR OTHER
13 PURPOSES.
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Subtitle

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17 TO REMOVE EXTRANEOUS REFERENCES TO
18 DIGITAL MAGAZINES IN THE SALES TAX LAWS;
19 AND TO CLARIFY THE EXEMPTION OF A CAR
20 WASH OPERATOR'S SALE OF A CAR WASH.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 26-52-103(21), concerning the definitions
26 used under the Arkansas Gross Receipts Act of 1941, is amended to read as
27 follows:

28 (21) "Marketplace facilitator" means a person that facilitates
29 the sale of tangible personal property, taxable services, a digital code, a
30 ~~digital magazine~~, or specified digital products by:

31 (A) Listing or advertising tangible personal property,
32 taxable services, a digital code, a ~~digital magazine~~, or specified digital
33 products for sale in a forum; and

34 (B) Either directly or indirectly through an agreement or
35 arrangement with a third party, collecting payment from a purchaser and
36 transmitting the payment to the person selling the tangible personal



1 property, taxable services, a digital code, or specified digital products,
 2 regardless of whether the person receives compensation or other consideration
 3 in exchange for the person's services in collecting and transmitting the
 4 payment;

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 6 SECTION 2. Arkansas Code § 26-52-401(41), concerning certain products
 7 and services that are exempt from sales tax under the Arkansas Gross Receipts
 8 Act of 1941, is amended to read as follows:

9 (41)(A) Gross receipts or gross proceeds derived from the sale
 10 of:

11 (i) Tangible personal property, specified digital
 12 products, or a digital code by or to a car wash operator for use in an
 13 automatic car wash, a car wash tunnel, or a self-service bay or as part of an
 14 ancillary service;

15 (ii) Services to a car wash operator; ~~and~~

16 (iii) Ancillary services by a car wash operator; and

17 (iv) A car wash by a car wash operator through an
 18 automatic car wash, car wash tunnel, or self-service bay.

19 (B) As used in this subdivision (41):

20 (i)(a) "Ancillary service" means a service provided
 21 by a car wash operator in conjunction with the sale of a service through an
 22 automatic car wash, a car wash tunnel, or a self-service bay that involves
 23 the cleaning of the interior or exterior, or both, of a motor vehicle.

24 (b) "Ancillary service" includes without
 25 limitation:

26 (1) Hand prepping any portion of a motor
 27 vehicle;

28 (2) Vacuuming;

29 (3) Hand drying any portion of a motor
 30 vehicle;

31 (4) Waxing any portion of a motor
 32 vehicle;

33 (5) Hand cleaning any portion of a motor
 34 vehicle; and

35 (6) Applying a protective or shine coat
 36 to any portion of a motor vehicle;

1 (ii) "Automatic car wash" means the same as defined
2 in § 26-57-1601;

3 (iii) "Car wash operator" means a person that
4 operates one (1) or more automatic car washes, car wash tunnels, or self-
5 service bays, or any combination of automatic car washes, car wash tunnels,
6 or self-service bays;

7 (iv) "Car wash tunnel" means the same as defined in
8 § 26-57-1601; and

9 (v) "Self-service bay" means ~~the same as defined in~~
10 § 26-57-1601 a car wash bay that allows a person to manually wash a motor
11 vehicle using equipment and supplies provided by the car wash operator.

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13 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
14 on the first day of the calendar quarter following the effective date of this
15 act.

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