

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

SENATE BILL 230

By: Senator Teague

## For An Act To Be Entitled

AN ACT TO AMEND ARKANSAS SALES AND USE TAX LAWS TO CONFORM TO THE STREAMLINED SALES TAX AGREEMENT; TO REQUIRE A WINERY TO COLLECT LOCAL TAXES ON DIRECT SHIPMENTS OF WINE; AND FOR OTHER PURPOSES.

## Subtitle

AN ACT TO REQUIRE WINERIES TO COLLECT LOCAL TAXES ON DIRECT SHIPMENTS OF WINE.

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

SECTION 1. Arkansas Code § 3-5-1704(b)(1), concerning the payment of taxes on direct shipments of wine, is amended to read as follows:

(b)(1)~~(A)~~ A winery shall collect all sales taxes and excise taxes due on a sale to an individual of this state as if the sale took place on the premises of an Arkansas small farm winery, including without limitation taxes under §§ 3-5-1605, 3-7-104, 3-7-201, and 3-7-111.

~~(B) A winery does not have to collect a local tax that would be imposed by a municipality, town, or other political subdivision of the state.~~

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Streamlined Sales and Use Tax Agreement requires that the tax base for local taxes be identical to state taxes unless otherwise prohibited by law. Current Arkansas law creates a different tax base for state sales tax as compared to local sales tax. If Arkansas is determined to be out of compliance with the agreement, the state could lose approximately ten million dollars annually in state and local



sales tax collections from businesses that have voluntarily registered to report and pay tax under the agreement. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2015.

**APPROVED: 02/27/2015**