

Stricken language would be deleted from and underlined language would be added to present law.
Act 144 of the Regular Session

State of Arkansas
93rd General Assembly
Regular Session, 2021

As Engrossed: S2/9/21
A Bill

HOUSE BILL 1033

By: Representative Jett
By: Senator M. Johnson

For An Act To Be Entitled

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

Subtitle

TO REMOVE EXTRANEOUS REFERENCES TO DIGITAL MAGAZINES IN THE SALES TAX LAWS; AND TO CLARIFY THE EXEMPTION OF A CAR WASH OPERATOR'S SALE OF A CAR WASH.

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

SECTION 1. Arkansas Code § 26-52-103(21), concerning the definitions used under the Arkansas Gross Receipts Act of 1941, is amended to read as follows:

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

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

(B) Either directly or indirectly through an agreement or arrangement with a third party, collecting payment from a purchaser and



transmitting the payment to the person selling the tangible personal property, taxable services, a digital code, or specified digital products, regardless of whether the person receives compensation or other consideration in exchange for the person's services in collecting and transmitting the payment;

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

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

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

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

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

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

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

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

(b) "Ancillary service" includes without limitation:

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

(2) Vacuuming;

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

(4) Waxing any portion of a motor vehicle;

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

(6) Applying a protective or shine coat

to any portion of a motor vehicle;

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

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

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

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

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

/s/Jett

APPROVED: 2/24/21