

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
89th General Assembly  
Regular Session, 2013

# A Bill

HOUSE BILL 1206

By: Representative Lowery

## For An Act To Be Entitled

AN ACT TO CLARIFY THE SALES TAX TREATMENT OF SERVICE  
FEES AND DEDUCTIBLES CHARGED PURSUANT TO A CONTRACT;  
AND FOR OTHER PURPOSES.

## Subtitle

TO CLARIFY THE SALES TAX TREATMENT OF  
SERVICE FEES AND DEDUCTIBLES CHARGED  
PURSUANT TO A CONTRACT.

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

SECTION 1. Arkansas Code § 26-52-301(7), concerning the gross receipts tax charged on sales of goods and services, is amended to read as follows:

(7)(A) Contracts, including service contracts, maintenance agreements, and extended warranties, ~~which that~~ in whole or in part provide for the future performance of or payment for services ~~which that~~ are subject to gross receipts tax.

(B) The seller of the contract ~~must~~ shall collect and remit the tax due on the sale of the contract except when the contract is sold simultaneously with a motor vehicle in which case the purchaser of the vehicle shall pay gross receipts tax on the purchase of the contract at the time of vehicle registration; ~~and.~~

(C) However, the gross receipts tax levied in this section does not apply to a trade service fee or deductible, regardless of the manner of collection, that is charged pursuant to a contract that is subject to the gross receipts tax levied in this section; and



SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the first day of the calendar quarter following the effective date of this act.