

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

State of Arkansas  
90th General Assembly  
Regular Session, 2015

As Engrossed: H3/13/15  
**A Bill**

HOUSE BILL 1772

By: Representative J. Mayberry

### **For An Act To Be Entitled**

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

### **Subtitle**

TO AMEND THE LAW CONCERNING THE DISCOUNT  
AVAILABLE TO TAXPAYERS FOR PROMPT  
SUBMISSION OF SALES TAXES RETURNS AND  
PAYMENTS.

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

SECTION 1. DO NOT CODIFY. Legislative findings and intent.

(a) The General Assembly finds that:

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

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

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

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

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



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

(2) Additional positions for school nurses.

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

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

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

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

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

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

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

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

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

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

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

*/s/J. Mayberry*