

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

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 527

By: Senator A. Clark

For An Act To Be Entitled

AN ACT TO REQUIRE CERTAIN NOTICE AND REPORTING
REQUIREMENTS FOR INTERNET SALES; AND FOR OTHER
PURPOSES.

Subtitle

TO REQUIRE CERTAIN NOTICE AND REPORTING
REQUIREMENTS FOR INTERNET SALES.

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

SECTION 1. Arkansas Code Title 26, Subtitle 53, is amended to add an
additional subchapter to read as follows:

Subchapter 4 Notice and Reporting of Internet Sales Tax

26-53-401. Definitions.

As used in this subchapter, "retailer" means a person doing business in
this state who is:

- (1) A remote seller in another state; and
- (2) Known to the public as a seller of goods or services.

26-53-402. Reporting – Internet sales.

(a) When a purchase of five hundred dollars (\$500) or more is made by
an Arkansas resident from a retailer that does not collect the compensating
use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et
seq., the retailer shall notify Arkansas residents at the time of the sale
that:

- (1) The purchase is subject to the compensating use tax levied



by the Arkansas Compensating Tax Act, § 26-53-101 et seq.; and

(2) The purchaser is required to file a consumer use tax form with the Sales and Use Tax Section of the Revenue Division of the Department of Finance and Administration.

(b)(1) Each retailer that does not collect the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., shall also send an annual notification to Arkansas purchasers who are entitled to notice under subsection (a) of this section by January 31 of each year.

(2) The notification shall contain the following information:

(A) The total amount paid by the purchaser in the previous calendar year;

(B) The date or dates of purchases;

(C) The amount of each purchase;

(D) A brief description of the item or items purchased;

and

(E) If known by the retailer, whether the purchase is exempt from the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(3) The notification shall state that the state of Arkansas requires a consumer use tax form to be filed and the compensating use tax to be paid on certain purchases made by the purchaser from the retailer.

(4) The notification shall:

(A) Be sent separately to each Arkansas purchaser by first-class mail;

(B) Not be included with any other shipments;

(C) Include the words "Important Tax Document Enclosed" on the exterior of the mailing; and

(D) Identify the retailer.

(c)(1) A retailer that does not collect the compensating use tax shall file an annual statement with the Department of Finance and Administration on forms provided by the department when the purchase is:

(A) Five hundred dollars (\$500) or more; and

(B) Made by a purchaser who is entitled to notice under subsection (a) of this section.

(2) The annual statement shall show the total amount paid by

Arkansas purchasers during the preceding calendar year.

(3) The annual statement of the retailer shall be filed on or before March 1 of each year.

(d) If a retailer demonstrates to the department an undue hardship for complying with this section, the department may exempt the retailer from the notice and reporting requirements of this section for a calendar year.

26-53-403. Promulgation of rules.

The Director of the Department of Finance and Administration shall promulgate rules and develop forms to implement the provisions of this subchapter.