

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

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

HOUSE BILL 1253

By: Representative Wardlaw

## For An Act To Be Entitled

AN ACT CONCERNING THE PREPAYMENT OF SALES TAXES BY CERTAIN RETAILERS; TO REPEAL THE REQUIREMENT THAT CERTAIN RETAILERS PREPAY SALES TAXES; AND FOR OTHER PURPOSES.

### Subtitle

TO REPEAL THE REQUIREMENT THAT CERTAIN RETAILERS PREPAY SALES TAXES.

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

SECTION 1. Arkansas Code § 26-19-107(b), concerning penalties for failure to make timely payment of taxes by electronic funds transfer, is amended to read as follows:

(b) In addition to all other penalties imposed under this subchapter and the Arkansas Tax Procedure Act, § 26-18-101 et seq., a taxpayer required to pay sales taxes by electronic funds transfer who fails to ~~se~~ pay any of the sales taxes on or before the due date for payment of the taxes in the amounts required under § 26-52-501 ~~or § 26-52-512 shall not be~~ is not entitled to the benefits contained in §§ 26-52-503 ~~and 26-52-512~~.

SECTION 2. Arkansas Code § 26-52-512 is repealed.

~~26-52-512. Tax payments by retailers.~~

~~(a) All retailers within the State of Arkansas registered to collect the Arkansas gross receipts tax and having average net sales of more than two hundred thousand dollars (\$200,000) per month for the preceding calendar year shall make prepayment of sales tax by electronic funds transfer, as defined~~



in § 26-19-101, according to one (1) of the following payment options:

~~(1)(A) The taxpayer may elect to make two (2) tax payments by electronic funds transfer for the current calendar month. Each payment shall be equal to forty percent (40%) of the tax due on the monthly average net sales on or before the twelfth and twenty-fourth of each month.~~

~~(B) The balance of actual collections for the month shall be remitted with the monthly gross receipts tax report due by the twentieth day of the following month; or~~

~~(2)(A) The taxpayer may elect to pay by electronic funds transfer an amount equal to or exceeding eighty percent (80%) of the gross receipts tax liability for the current calendar month on or before the twenty-fourth of each month.~~

~~(B) The balance of actual collections for the month shall be remitted with the monthly gross receipts tax report due by the twentieth day of the following month.~~

~~(b)(1)(A) Every taxpayer who timely remits the prepayments required by subsection (a) of this section and who timely files and pays the taxpayer's monthly gross receipts tax report shall be entitled to a discount.~~

~~(B) The discount shall be the lesser of two percent (2%) of the reported monthly gross tax, or one thousand dollars (\$1,000).~~

~~(2)(A) Failure to pay tax prepayments when due shall result in the assessment of a penalty equal to five percent (5%) of the amount of each required tax prepayment.~~

~~(B) If a taxpayer elects to prepay according to subdivision (a)(2) of this section and fails to pay eighty percent (80%) of the tax liability by the twenty-fourth of the current month, no penalty shall be assessed if the taxpayer proves that more than twenty percent (20%) of the taxpayer's tax liability arose from sales occurring after the twenty-fourth of the current month but before the last day of the current month.~~

~~(3)(A) The aggregate 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) per month.~~

~~(B) In the case of a corporate taxpayer that is a parent corporation and that holds fifty percent (50%) or more of the outstanding shares of one (1) or more corporations that are subsidiaries and that are~~

~~subject to the tax imposed by this chapter, the aggregate discount available to the parent corporation and all subsidiaries shall not exceed one thousand dollars (\$1,000) per month.~~

~~(c)(1) For any electronic funds transfer or report required under subsection (a) of this section, the due date of which falls on a Saturday, Sunday, or legal holiday, the electronic funds transfer or report shall be made on the next succeeding business day that is not a Saturday, Sunday, or legal holiday.~~

~~(2) If the Federal Reserve Bank is closed on a due date that prohibits a taxpayer from being able to make a payment through electronic funds transfer, the payment shall be accepted as timely if made on the next day the Federal Reserve Bank is open.~~

~~(3) A report filed in conjunction with a remittance that cannot be made due to the closure of the Federal Reserve Bank shall be accepted as timely if filed in conjunction with the payment on the next day the Federal Reserve Bank is open.~~

~~(d) As used in this section, "average net sales" means total gross proceeds or gross receipts as defined in this chapter less any deductions allowed by this chapter.~~

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.