

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

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: S2/13/17
A Bill

SENATE BILL 126

By: Senator Hester
By: Representative Womack

For An Act To Be Entitled

AN ACT TO CREATE A SECOND AMENDMENT APPRECIATION WEEKEND; TO CREATE A SALES TAX HOLIDAY FOR PURCHASES OF CERTAIN HUNTING SUPPLIES; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE A SECOND AMENDMENT APPRECIATION WEEKEND.

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

SECTION 1. DO NOT CODIFY. Second Amendment Appreciation Weekend.

(a) As used in this section:

(1) "Firearm" means the same as defined in 26 U.S.C. § 5845, as it existed on January 1, 2017;

(2) "Layaway sale" means a transaction in which property is set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time, and at the end of the payment period, receives the property; and

(3) "Rain check" means an agreement by which a seller allows a customer to purchase an item at a certain price at a later time because the particular item was out of stock.

(b) The gross receipts or gross proceeds derived from the sale of a firearm purchased by an individual for personal use are exempt from the gross receipts tax levied by this chapter, and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., every year from 12:01 a.m. on the second Saturday in September and ending at 11:59 p.m.



the following Sunday.

(c) A sale of a firearm under a layaway sale qualifies for an exemption under this section if:

(1) The seller removes the firearm from normal inventory or clearly identifies the firearm as sold to the purchaser; and

(2) Either:

(A) The purchaser makes final payment on the layaway order and the firearm is given to the purchaser during the exemption period stated in subsection (b) of this section; or

(B) The purchaser selects a firearm and the seller accepts the order for the firearm during the exemption period stated in subsection (b) of this section for immediate delivery upon full payment, even if the delivery is made after the exemption period.

(d)(1) A firearm purchased during the exemption period stated in subsection (b) of this section with the use of a rain check qualifies for the exemption regardless of when the rain check is issued.

(2) The issuance of a rain check during the exemption period stated in subsection (b) of this section does not qualify the firearm *for the exemption if the firearm is* actually purchased after the exemption period stated in subsection (b) of this section.

(e)(1)(A) If a person purchases a firearm during the exemption period stated in subsection (b) of this section and later exchanges the firearm for a similar item eligible for an exemption under this section, sales tax is not due even if the exchange is made after the exemption period stated in subsection (b) of this section.

(B) An item may be similar under subdivision (e)(1)(A) of this section even if it is a different size or color or has different features than the firearm being exchanged.

(2) If a person purchases a firearm during the exemption period stated in subsection (b) of this section and, after the exemption period stated in subsection (b) of this section ends, the person returns the item and receives credit on the purchase of a different item, sales tax is due on the sale of the newly purchased item.

(3) If a person purchases a firearm before the exemption period stated in subsection (b) of this section, returns the firearm during the exemption period stated in subsection (b) of this section, and receives

credit on the purchase of a different firearm, sales tax is not due on the sale of the new firearm if the firearm is purchased during the exemption period.

(f)(1) For sixty (60) days immediately after the exemption period stated in subsection (b) of this section, when a person returns a firearm that would qualify for an exemption under this section, a credit for or refund of sales tax shall not be given unless the person provides a receipt or invoice that shows sales tax was paid on the firearm.

(2) The sixty-day period stated in this subsection:

(A) Shall be used solely for the purpose of designating a time period during which a person shall provide documentation that shows that sales tax was paid on the returned firearm; and

(B) Does not change a seller's policy on the time period during which the seller accepts returns.

(g) The exemption created under this section expires October 1, 2023.

SECTION 2. DO NOT CODIFY. Streamlined Sales and Use Tax Agreement.

(a) The Department of Finance and Administration shall:

(1) Propose to the Streamlined Sales Tax Governing Board, Inc., an amendment to the Streamlined Sales and Use Tax Agreement to include the definition of "firearm" as stated in Section 1 of this act within the Library of Definitions in the Streamlined Sales and Use Tax Agreement; and

(2) Provide a quarterly update to the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee regarding the status of the amendment proposed to the Streamlined Sales and Use Tax Agreement under subdivision (a)(1) of this section.

(b) Upon adoption by the board of the term "firearm" as defined in Section 1 of this act into the Library of Definitions of the Streamlined Sales and Use Tax Agreement, the Director of the Department of Finance and Administration shall certify that "firearm" is a defined term within the Library of Definitions of the Streamlined Sales and Use Tax Agreement.

SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective on the first day of the calendar quarter following certification required by the Director of the Department of Finance and Administration under Section 2 of this act.

/s/Hester