

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

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

As Engrossed: S2/9/21  
**A Bill**

HOUSE BILL 1033

By: Representative Jett  
By: Senator M. Johnson

**For An Act To Be Entitled**

AN ACT TO CLARIFY SALES TAX PROVISIONS RELATING TO DIGITAL MAGAZINES AND CAR WASHES; TO REMOVE EXTRANEOUS REFERENCES TO DIGITAL MAGAZINES IN THE SALES TAX LAWS; TO CLARIFY THE EXEMPTION OF A CAR WASH OPERATOR'S SALE OF A CAR WASH; AND FOR OTHER PURPOSES.

**Subtitle**

TO REMOVE EXTRANEOUS REFERENCES TO DIGITAL MAGAZINES IN THE SALES TAX LAWS; AND TO CLARIFY THE EXEMPTION OF A CAR WASH OPERATOR'S SALE OF A CAR WASH.

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

SECTION 1. Arkansas Code § 26-52-103(21), concerning the definitions used under the Arkansas Gross Receipts Act of 1941, is amended to read as follows:

(21) "Marketplace facilitator" means a person that facilitates the sale of tangible personal property, taxable services, a digital code, a ~~digital magazine~~, or specified digital products by:

(A) Listing or advertising tangible personal property, taxable services, a digital code, a ~~digital magazine~~, or specified digital products for sale in a forum; and

(B) Either directly or indirectly through an agreement or arrangement with a third party, collecting payment from a purchaser and



transmitting the payment to the person selling the tangible personal property, taxable services, a digital code, or specified digital products, regardless of whether the person receives compensation or other consideration in exchange for the person's services in collecting and transmitting the payment;

SECTION 2. Arkansas Code § 26-52-401(41), concerning certain products and services that are exempt from sales tax under the Arkansas Gross Receipts Act of 1941, is amended to read as follows:

(41)(A) Gross receipts or gross proceeds derived from the sale of:

(i) Tangible personal property, specified digital products, or a digital code by or to a car wash operator for use in an automatic car wash, a car wash tunnel, or a self-service bay or as part of an ancillary service;

(ii) Services to a car wash operator; ~~and~~

(iii) Ancillary services by a car wash operator; and

(iv) A car wash by a car wash operator through an automatic car wash, car wash tunnel, or self-service bay.

(B) As used in this subdivision (41):

(i)(a) "Ancillary service" means a service provided by a car wash operator in conjunction with the sale of a service through an automatic car wash, a car wash tunnel, or a self-service bay that involves the cleaning of the interior or exterior, or both, of a motor vehicle.

(b) "Ancillary service" includes without limitation:

(1) Hand prepping any portion of a motor vehicle;

(2) Vacuuming;

(3) Hand drying any portion of a motor vehicle;

(4) Waxing any portion of a motor vehicle;

(5) Hand cleaning any portion of a motor vehicle; and

(6) Applying a protective or shine coat

to any portion of a motor vehicle;

(ii) "Automatic car wash" means the same as defined in § 26-57-1601;

(iii) "Car wash operator" means a person that operates one (1) or more automatic car washes, car wash tunnels, or self-service bays, or any combination of automatic car washes, car wash tunnels, or self-service bays;

(iv) "Car wash tunnel" means the same as defined in § 26-57-1601; and

(v) "Self-service bay" means ~~the same as defined in § 26-57-1601~~ a car wash bay that allows a person to manually wash a motor vehicle using equipment and supplies provided by the car wash operator.

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.

*/s/Jett*