

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

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1038

By: Representative Jett

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING DELIVERY CHARGES UNDER THE ARKANSAS GROSS RECEIPTS ACT OF 1941; TO CLARIFY THAT SALES TAX IS REQUIRED TO BE COLLECTED AND REMITTED ON DELIVERY CHARGES FOR SALES BY A MARKETPLACE FACILITATOR; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THAT SALES TAX IS REQUIRED TO BE COLLECTED AND REMITTED ON DELIVERY CHARGES FOR SALES BY A MARKETPLACE FACILITATOR.

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

SECTION 1. Arkansas Code § 26-52-103(7), concerning the definitions used under the Arkansas Gross Receipts Act of 1941, is amended to read as follows:

(7)(A) "Delivery charge" means a charge by a seller or a marketplace facilitator of tangible personal property or services for preparation and delivery to a location designated by the purchaser of the tangible personal property or services, including without limitation transportation, shipping, postage, handling, crating, and packing.

(B) If a shipment includes tax-exempt property and taxable property, the seller or marketplace facilitator shall pay the tax imposed by this chapter only on the percentage of the delivery charge allocated to the taxable property by using:

(i) A percentage based on the total sales price of



the taxable property compared to the total sales price of all property in the shipment; or

(ii) A percentage based on the total weight of the taxable property compared to the total weight of all property in the shipment;

SECTION 2. Arkansas Code § 26-52-103(19)(A), concerning the definitions used under the Arkansas Gross Receipts Act of 1941, is amended to read as follows:

(19)(A) "Gross receipts", "gross proceeds", or "sales price" means the total amount of consideration, including cash, credit, property, and services, for which tangible personal property, specified digital products, a digital code, or services are sold, leased, or rented, valued in money, whether received in money or otherwise, without a deduction for the following:

(i) The seller's cost of the property sold;

(ii) The cost of materials used, labor or service cost, interest, any loss, any cost of transportation to the seller, any tax imposed on the seller, and any other expense of the seller;

(iii) A charge by the seller for any service necessary to complete the sale, other than a delivery charge or an installation charge;

(iv) Delivery charge whether charged by a seller or a marketplace facilitator;

(v)(a) Installation charge.

(b) Installation charges shall not be included in the gross receipts, gross proceeds, or sales price if they are not a specifically taxable service under this chapter or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and the installation charges have been separately stated on the invoice, billing, or similar document given to the purchaser; or

(vi) Credit for any trade-in.

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.