

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: S3/17/21 H4/19/21

A Bill

SENATE BILL 547

By: Senator T. Garner

By: Representative Ray

For An Act To Be Entitled

AN ACT TO AMEND CERTAIN PROVISIONS OF INITIATED ACT 4
OF 1948; TO REGULATE A DIRECT SELLER AS AN
INDEPENDENT CONTRACTOR; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND CERTAIN PROVISIONS OF INITIATED
ACT 4 OF 1948; AND TO REGULATE A DIRECT
SELLER AS AN INDEPENDENT CONTRACTOR.

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

SECTION 1. Arkansas Code § 11-4-203(3), concerning definitions used in the Minimum Wage Act of the State of Arkansas, is amended to add an additional subdivision to read as follows:

(S) A direct seller as defined in the Internal Revenue Code of 1986, 26 U.S.C. § 3508(b)(2), as it existed on January 1, 2021;

SECTION 2. Arkansas Code § 11-9-102(9), concerning the definition of "employee" under the Workers' Compensation Law and resulting from Initiated Act 4 of 1948, is amended to add an additional subdivision to read as follows:

(E) "Employee" shall not include a direct seller as defined in the Internal Revenue Code of 1986, 26 U.S.C. § 3508(b)(2), as it existed on January 1, 2021;

SECTION 3. Arkansas Code § 11-10-210(f), concerning the definition of



"employment" under the Division of Workforce Services Law, is amended to add an additional subdivision to read as follows:

(24)(A) Services performed by a direct seller as defined in the Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. No. 97-248, the Small Business Job Protection Act of 1996, Pub. L. No. 104-188, and as defined in other applicable federal law.

(B) This subdivision (f)(24) does not apply to:

(i) Services performed in the employ of a state or local government entity or federally recognized Indian tribe or territory if the services are excluded from employment under the Federal Unemployment Tax Act, 26 U.S.C. § 3306(c)(7); or

(ii) Services performed in the employ of a religious, charitable, educational, or other organization if the services are excluded from employment under the Federal Unemployment Tax Act, 26 U.S.C. § 3306(c)(8).

/s/T. Garner