

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4
5 By: Representative Jett
6

A Bill

HOUSE BILL 1038

For An Act To Be Entitled

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

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15 TO CLARIFY THAT SALES TAX IS REQUIRED TO
16 BE COLLECTED AND REMITTED ON DELIVERY
17 CHARGES FOR SALES BY A MARKETPLACE
18 FACILITATOR.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-52-103(7), concerning the definitions
25 used under the Arkansas Gross Receipts Act of 1941, is amended to read as
26 follows:

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

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

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



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

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

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

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

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

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

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

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

25 (v)(a) Installation charge.

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

32 (vi) Credit for any trade-in.

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 34 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
 35 on the first day of the calendar quarter following the effective date of this
 36 act.