

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017

A Bill

HOUSE BILL 1253

4
5 By: Representative Wardlaw

For An Act To Be Entitled

8 AN ACT CONCERNING THE PREPAYMENT OF SALES TAXES BY
9 CERTAIN RETAILERS; TO REPEAL THE REQUIREMENT THAT
10 CERTAIN RETAILERS PREPAY SALES TAXES; AND FOR OTHER
11 PURPOSES.

Subtitle

14 TO REPEAL THE REQUIREMENT THAT CERTAIN
16 RETAILERS PREPAY SALES TAXES.

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

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21 SECTION 1. Arkansas Code § 26-19-107(b), concerning penalties for
22 failure to make timely payment of taxes by electronic funds transfer, is
23 amended to read as follows:

24 (b) In addition to all other penalties imposed under this subchapter
25 and the Arkansas Tax Procedure Act, § 26-18-101 et seq., a taxpayer required
26 to pay sales taxes by electronic funds transfer who fails to ~~se~~ pay any of
27 the sales taxes on or before the due date for payment of the taxes in the
28 amounts required under § 26-52-501 ~~or § 26-52-512 shall not be~~ is not
29 entitled to the benefits contained in §§ 26-52-503 ~~and 26-52-512.~~

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31 SECTION 2. Arkansas Code § 26-52-512 is repealed.

32 ~~26-52-512. Tax payments by retailers.~~

33 ~~(a) All retailers within the State of Arkansas registered to collect~~
34 ~~the Arkansas gross receipts tax and having average net sales of more than two~~
35 ~~hundred thousand dollars (\$200,000) per month for the preceding calendar year~~
36 ~~shall make prepayment of sales tax by electronic funds transfer, as defined~~



1 in § 26-19-101, according to one (1) of the following payment options:

2 (1)(A) The taxpayer may elect to make two (2) tax payments by
3 electronic funds transfer for the current calendar month. Each payment shall
4 be equal to forty percent (40%) of the tax due on the monthly average net
5 sales on or before the twelfth and twenty-fourth of each month.

6 (B) The balance of actual collections for the month shall
7 be remitted with the monthly gross receipts tax report due by the twentieth
8 day of the following month; or

9 (2)(A) The taxpayer may elect to pay by electronic funds
10 transfer an amount equal to or exceeding eighty percent (80%) of the gross
11 receipts tax liability for the current calendar month on or before the
12 twenty-fourth of each month.

13 (B) The balance of actual collections for the month shall
14 be remitted with the monthly gross receipts tax report due by the twentieth
15 day of the following month.

16 (b)(1)(A) Every taxpayer who timely remits the prepayments required by
17 subsection (a) of this section and who timely files and pays the taxpayer's
18 monthly gross receipts tax report shall be entitled to a discount.

19 (B) The discount shall be the lesser of two percent (2%)
20 of the reported monthly gross tax, or one thousand dollars (\$1,000).

21 (2)(A) Failure to pay tax prepayments when due shall result in
22 the assessment of a penalty equal to five percent (5%) of the amount of each
23 required tax prepayment.

24 (B) If a taxpayer elects to prepay according to
25 subdivision (a)(2) of this section and fails to pay eighty percent (80%) of
26 the tax liability by the twenty-fourth of the current month, no penalty shall
27 be assessed if the taxpayer proves that more than twenty percent (20%) of the
28 taxpayer's tax liability arose from sales occurring after the twenty-fourth
29 of the current month but before the last day of the current month.

30 (3)(A) The aggregate discount available to a taxpayer who
31 operates more than one (1) permitted business location within this state and
32 who does not file a consolidated monthly gross receipts tax report for all
33 locations shall not exceed one thousand dollars (\$1,000) per month.

34 (B) In the case of a corporate taxpayer that is a parent
35 corporation and that holds fifty percent (50%) or more of the outstanding
36 shares of one (1) or more corporations that are subsidiaries and that are

1 ~~subject to the tax imposed by this chapter, the aggregate discount available~~
 2 ~~to the parent corporation and all subsidiaries shall not exceed one thousand~~
 3 ~~dollars (\$1,000) per month.~~

4 ~~(c)(1) For any electronic funds transfer or report required under~~
 5 ~~subsection (a) of this section, the due date of which falls on a Saturday,~~
 6 ~~Sunday, or legal holiday, the electronic funds transfer or report shall be~~
 7 ~~made on the next succeeding business day that is not a Saturday, Sunday, or~~
 8 ~~legal holiday.~~

9 ~~(2) If the Federal Reserve Bank is closed on a due date that~~
 10 ~~prohibits a taxpayer from being able to make a payment through electronic~~
 11 ~~funds transfer, the payment shall be accepted as timely if made on the next~~
 12 ~~day the Federal Reserve Bank is open.~~

13 ~~(3) A report filed in conjunction with a remittance that cannot~~
 14 ~~be made due to the closure of the Federal Reserve Bank shall be accepted as~~
 15 ~~timely if filed in conjunction with the payment on the next day the Federal~~
 16 ~~Reserve Bank is open.~~

17 ~~(d) As used in this section, "average net sales" means total gross~~
 18 ~~proceeds or gross receipts as defined in this chapter less any deductions~~
 19 ~~allowed by this chapter.~~

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 21 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
 22 on the first day of the calendar quarter following the effective date of this
 23 act.