

1 State of Arkansas As Engrossed: S3/17/21 H4/19/21

2 93rd General Assembly

# A Bill

3 Regular Session, 2021

SENATE BILL 547

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5 By: Senator T. Garner

6 By: Representative Ray

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## For An Act To Be Entitled

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

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## Subtitle

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

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

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

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26 (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;

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

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

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



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

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

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

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

12 (ii) Services performed in the employ of a  
13 religious, charitable, educational, or other organization if the services are  
14 excluded from employment under the Federal Unemployment Tax Act, 26 U.S.C. §  
15 3306(c)(8).

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17 /s/T. Garner

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20 **APPROVED: 4/27/21**