

Stricken language would be deleted from and underlined language would be added to the law as it existed
prior to this session of the General Assembly.
Act 154 of the Regular Session

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

A Bill

SENATE BILL 273

5 By: Senator T. Smith
6
7

For An Act To Be Entitled

9 AN ACT TO PROVIDE THAT NO TAX IS DUE ON
10 ADMISSIONS OR ACCESS TO A PLACE OF AMUSEMENT,
11 ENTERTAINMENT, RECREATION, OR ATHLETIC EVENT FOR
12 WHICH NO CONSIDERATION IS PAID; TO REPEAL
13 OBSOLETE LAW; AND FOR OTHER PURPOSES.
14

Subtitle

15 TO PROVIDE THAT NO TAX IS DUE FOR A FREE
16 PASS TO A RECREATIONAL EVENT.
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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 § 26-52-103(9) [Effective until July 1,
23 2007], concerning the definition of "sale" for Arkansas gross receipts tax
24 purposes, is amended to read as follows:

25 (9)(A) "Sale" means the transfer of either the title or
26 possession, except in the case of leases or rentals, for a valuable
27 consideration of tangible personal property, regardless of the manner,
28 method, instrumentality, or device by which the transfer is accomplished.

29 (B) "Sale" also includes the exchange, barter, lease, or
30 rental of tangible personal property.

31 (C)(i) In the case of leases or rentals for less than
32 thirty (30) days of tangible personal property including motor vehicles and
33 trailers, the tax shall be paid on the basis of rental or lease payments made
34 to the lessor of such tangible personal property during the term of the lease
35 or rental regardless of whether Arkansas gross receipts tax or compensating



1 use tax was paid by the lessor at the time of the purchase of the property.

2 (ii) In the case of leases or rentals for thirty
3 (30) days or more of tangible personal property including motor vehicles and
4 trailers, the tax shall be paid on the basis of rental or lease payments made
5 to the lessor of the tangible personal property during the term of the lease
6 or rental unless Arkansas gross receipts tax or compensating use tax was paid
7 by the lessor at the time of the purchase of the property.

8 (iii) Any person engaged in the business of leasing
9 or renting motor vehicles shall collect, report, and remit gross receipts tax
10 on the lease or rental payments in lieu of paying tax at the time of
11 registration.

12 (D) "Sale" shall also include the sale, ~~giving away,~~
13 exchanging, or other disposition of admissions, dues, or fees to clubs, to
14 places of amusement, or recreational or athletic events, or for the privilege
15 of having access to or the use of amusement, athletic, or entertainment
16 facilities.

17 (E) "Sale" shall not include the furnishing or rendering
18 of services, except as otherwise provided in this section.

19 (F) "Sale" shall not include the transfer of title to a
20 vehicle by the vehicle owner to an insurance company as a result of the
21 settlement of a claim for damages to the vehicle;

22
23 SECTION 2. Arkansas Code § 26-52-103(12)[Effective July 1, 2007],
24 concerning the definition of "sale" for Arkansas gross receipts tax purposes,
25 is amended to read as follows:

26 (12)(A) "Sale" means the transfer of either the title or
27 possession except in the case of a lease or rental for a valuable
28 consideration of tangible personal property regardless of the manner, method,
29 instrumentality, or device by which the transfer is accomplished.

30 (B) "Sale" includes the:

31 (i) Exchange, barter, lease, or rental of tangible
32 personal property; or

33 (ii) Sale, ~~giving away,~~
34 disposition of admissions, dues, or fees to clubs, to places of amusement, or
35 to recreational or athletic events or for the privilege of having access to
36 or the use of amusement, athletic, or entertainment facilities.

1 (C) "Sale" does not include the:

2 (i) Furnishing or rendering of services except as
3 otherwise provided in this section; or

4 (ii) Transfer of title to a vehicle by the vehicle
5 owner to an insurance company as a result of the settlement of a claim for
6 damages to the vehicle;

7 (D)(i) In the case of a lease or rental of tangible
8 personal property, including motor vehicles and trailers for less than thirty
9 (30) days, the tax shall be paid on the basis of rental or lease payments
10 made to the lessor of the tangible personal property during the term of the
11 lease or rental regardless of whether Arkansas gross receipts tax or
12 compensating use tax was paid by the lessor at the time of the purchase of
13 the tangible personal property.

14 (ii) In the case of a lease or rental of tangible
15 personal property, including motor vehicles and trailers for thirty (30) days
16 or more, the tax shall be paid on the basis of rental or lease payments made
17 to the lessor of the tangible personal property during the term of the lease
18 or rental unless Arkansas gross receipts tax or compensating use tax was paid
19 by the lessor at the time of the purchase of the tangible personal property.

20 (iii) Any person engaged in the business of leasing
21 or renting motor vehicles shall collect, report, and remit gross receipts tax
22 on the lease or rental payments in lieu of paying tax at the time of
23 registration.

24

25 SECTION 3. Arkansas Code § 26-52-301(5) [Effective until July 1,
26 2007], concerning taxable admissions, is amended to read as follows:

27 (5)(A) Tickets or admissions to places of amusement or to
28 athletic, entertainment, or recreational events; or

29 (B) Fees for ~~the privilege of having~~ access to or the use
30 of amusement, entertainment, athletic, or recreational facilities ~~including~~
31 ~~free or complimentary passes and tickets, admissions, dues, or fees, with~~
32 ~~such free or complimentary passes, tickets, dues, or fees being declared to~~
33 ~~have a value equivalent to the sale price of tickets, passes, admissions,~~
34 ~~fees, or dues of like kind or character;~~

35

36 SECTION 4. Arkansas Code § 26-52-301(5) [Effective July 1, 2007],

1 concerning taxable admissions, is amended to read as follows:

2 (5)~~(A)~~ Tickets or admissions to places of amusement or to
 3 athletic, entertainment, or recreational events, or fees for ~~the privilege of~~
 4 ~~having~~ access to or the use of amusement, entertainment, athletic, or
 5 recreational facilities.

6 ~~(B) Subdivision (5)(A) of this section includes free or~~
 7 ~~complimentary passes, tickets, admissions, dues, or fees, with such free or~~
 8 ~~complimentary passes, tickets, admissions, dues, or fees being declared to~~
 9 ~~have a value equivalent to the sale price of passes, tickets, admissions,~~
 10 ~~dues, or fees of like kind or character;~~

11
 12 SECTION 5. Arkansas Code § 26-52-508 is amended to read as follows:

13 26-52-508. Collection of tax by sellers or admissions collectors.

14 [Effective until July 1, 2007.]

15 (a) The tax levied by this act shall be paid to the Director of the
 16 Department of Finance and Administration by the seller of tangible personal
 17 property; and by the seller or collector of admissions to places of
 18 amusement, recreational, or athletic events; and by the seller of privileges
 19 of access to or the use of amusement, entertainment, athletic, or
 20 recreational facilities; and by any other person furnishing any service
 21 subject to the provisions hereof.

22 (b) The taxes, penalty, and interest shall at all times constitute a
 23 prior, superior, and paramount claim as against the claims of unsecured
 24 creditors.

25 (c) The seller or person furnishing such taxable service shall collect
 26 the tax levied from the purchaser.

27 ~~(d)(1) In order to make such collections convenient, the director may~~
 28 ~~in his discretion issue tokens in the denominations of one tenth of one cent~~
 29 ~~(1/10 of 1) and five tenths of one cent (5/10 of 1) in such quantity as he~~
 30 ~~deems necessary.~~

31 ~~(2) Tax tokens shall not be accepted by the state in payment of~~
 32 ~~taxes due. Tax tokens shall be redeemed at face value by the director at~~
 33 ~~Little Rock, Arkansas, and at such other points as he may designate.~~

34 ~~(3) The director may, in the alternative and at his discretion,~~
 35 ~~set up by regulation a bracket system of collecting the tax due hereunder.~~

36 (d)(1) No tax is due on admission to a place of amusement, recreation,

1 entertainment, or athletic event for which no consideration is paid.

2 (2) No tax is due on the access to or the use of an amusement,
 3 entertainment, athletic, or recreational facility for which no consideration
 4 is paid.

5
 6 SECTION 6. Arkansas Code § 26-52-508 is amended to read as follows:

7 26-52-508. Collection of tax by sellers or admissions collectors.

8 [Effective July 1, 2007.]

9 (a) The tax levied by the Arkansas Gross Receipts Act of 1941, § 26-
 10 52-101 et seq., shall be paid to the Director of the Department of Finance
 11 and Administration by:

12 (1) The seller of tangible personal property;

13 (2) The seller or collector of admissions to places of
 14 amusement, recreational, or athletic events;

15 (3) The seller of privileges of access to or the use of
 16 amusement, entertainment, athletic, or recreational facilities; and

17 (4) Any other person furnishing any service subject to the
 18 provisions of the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

19 (b) The taxes, penalty, and interest shall at all times constitute a
 20 prior, superior, and paramount claim as against the claims of unsecured
 21 creditors.

22 (c) The seller or person furnishing the taxable service shall collect
 23 the tax levied from the purchaser.

24 ~~(d)(1) In order to make the collections convenient, the director may~~
 25 ~~issue tokens in the denominations of one tenth of one cent (1/10 of 1) and~~
 26 ~~five tenths of one cent (5/10 of 1) in such quantity as he or she deems~~
 27 ~~necessary.~~

28 ~~(2)(A) Tax tokens shall not be accepted by the state in payment~~
 29 ~~of taxes due.~~

30 ~~(B) Tax tokens shall be redeemed at face value by the~~
 31 ~~director at Little Rock, Arkansas, and at such other points as he or she may~~
 32 ~~designate.~~

33 (d)(1) No tax is due on admission to a place of amusement,
 34 entertainment, recreation, or an athletic event for which no consideration is
 35 paid.

36 (2) No tax is due on the access to or the use of an amusement,

1 entertainment, athletic, or recreational facility for which no consideration
2 is paid.

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4 SECTION 7. Effective Date. Sections 1-6 of this act shall be
5 effective on the first day of the calendar month following the effective date
6 of this act.

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8 SECTION 8. EMERGENCY CLAUSE. It is found and determined by the
9 General Assembly of the State of Arkansas that the tax for free admission
10 defeats the primary intent of a "free" admission; that the recordkeeping for
11 the seller or person furnishing the free admission is cost prohibitive and
12 unnecessarily burdensome to the philanthropist and that the tax does not
13 yield significant revenues to the state to justify the expense of the
14 recordkeeping and submission of the tax; and that this act is immediately
15 necessary for the state to enjoy the economic benefit from persons and
16 entities giving free tickets to tourist attractions during the springtime
17 Therefore, an emergency is declared to exist and this act being immediately
18 necessary for the preservation of the public peace, health, and safety shall
19 become effective on:

20 (1) The date of its approval by the Governor;

21 (2) If the bill is neither approved nor vetoed by the Governor,
22 the expiration of the period of time during which the Governor may veto the
23 bill; or

24 (3) If the bill is vetoed by the Governor and the veto is
25 overridden, the date the last house overrides the veto.

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27 APPROVED: 2/28/2007
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