

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

As Engrossed: S2/13/17

A Bill

SENATE BILL 126

5 By: Senator Hester
6 By: Representative Womack
7

For An Act To Be Entitled

9 AN ACT TO CREATE A SECOND AMENDMENT APPRECIATION
10 WEEKEND; TO CREATE A SALES TAX HOLIDAY FOR PURCHASES
11 OF CERTAIN HUNTING SUPPLIES; AND FOR OTHER PURPOSES.
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Subtitle

14 TO CREATE A SECOND AMENDMENT APPRECIATION
15 WEEKEND.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 *SECTION 1. DO NOT CODIFY. Second Amendment Appreciation Weekend.*

22 (a) As used in this section:

23 (1) "Firearm" means the same as defined in 26 U.S.C. § 5845, as
24 it existed on January 1, 2017;

25 (2) "Layaway sale" means a transaction in which property is set
26 aside for future delivery to a customer who makes a deposit, agrees to pay
27 the balance of the purchase price over a period of time, and at the end of
28 the payment period, receives the property; and

29 (3) "Rain check" means an agreement by which a seller allows a
30 customer to purchase an item at a certain price at a later time because the
31 particular item was out of stock.

32 (b) The gross receipts or gross proceeds derived from the sale of a
33 firearm purchased by an individual for personal use are exempt from the gross
34 receipts tax levied by this chapter, and the compensating use tax levied by
35 the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., every year
36 from 12:01 a.m. on the second Saturday in September and ending at 11:59 p.m.



1 the following Sunday.

2 (c) A sale of a firearm under a layaway sale qualifies for an
3 exemption under this section if:

4 (1) The seller removes the firearm from normal inventory or
5 clearly identifies the firearm as sold to the purchaser; and

6 (2) Either:

7 (A) The purchaser makes final payment on the layaway order
8 and the firearm is given to the purchaser during the exemption period stated
9 in subsection (b) of this section; or

10 (B) The purchaser selects a firearm and the seller accepts
11 the order for the firearm during the exemption period stated in subsection
12 (b) of this section for immediate delivery upon full payment, even if the
13 delivery is made after the exemption period.

14 (d)(1) A firearm purchased during the exemption period stated in
15 subsection (b) of this section with the use of a rain check qualifies for the
16 exemption regardless of when the rain check is issued.

17 (2) The issuance of a rain check during the exemption period
18 stated in subsection (b) of this section does not qualify the firearm *for the*
19 *exemption if the firearm* is actually purchased after the exemption period
20 stated in subsection (b) of this section.

21 (e)(1)(A) If a person purchases a firearm during the exemption period
22 stated in subsection (b) of this section and later exchanges the firearm for
23 a similar item eligible for an exemption under this section, sales tax is not
24 due even if the exchange is made after the exemption period stated in
25 subsection (b) of this section.

26 (B) An item may be similar under subdivision (e)(1)(A) of
27 this section even if it is a different size or color or has different
28 features than the firearm being exchanged.

29 (2) If a person purchases a firearm during the exemption period
30 stated in subsection (b) of this section and, after the exemption period
31 stated in subsection (b) of this section ends, the person returns the item
32 and receives credit on the purchase of a different item, sales tax is due on
33 the sale of the newly purchased item.

34 (3) If a person purchases a firearm before the exemption period
35 stated in subsection (b) of this section, returns the firearm during the
36 exemption period stated in subsection (b) of this section, and receives

1 credit on the purchase of a different firearm, sales tax is not due on the
2 sale of the new firearm if the firearm is purchased during the exemption
3 period.

4 (f)(1) For sixty (60) days immediately after the exemption period
5 stated in subsection (b) of this section, when a person returns a firearm
6 that would qualify for an exemption under this section, a credit for or
7 refund of sales tax shall not be given unless the person provides a receipt
8 or invoice that shows sales tax was paid on the firearm.

9 (2) The sixty-day period stated in this subsection:

10 (A) Shall be used solely for the purpose of designating a
11 time period during which a person shall provide documentation that shows that
12 sales tax was paid on the returned firearm; and

13 (B) Does not change a seller's policy on the time period
14 during which the seller accepts returns.

15 (g) The exemption created under this section expires October 1, 2023.

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17 SECTION 2. DO NOT CODIFY. Streamlined Sales and Use Tax Agreement.

18 (a) The Department of Finance and Administration shall:

19 (1) Propose to the Streamlined Sales Tax Governing Board, Inc.,
20 an amendment to the Streamlined Sales and Use Tax Agreement to include the
21 definition of "firearm" as stated in Section 1 of this act within the Library
22 of Definitions in the Streamlined Sales and Use Tax Agreement; and

23 (2) Provide a quarterly update to the Legislative Council or, if
24 the General Assembly is in session, the Joint Budget Committee regarding the
25 status of the amendment proposed to the Streamlined Sales and Use Tax
26 Agreement under subdivision (a)(1) of this section.

27 (b) Upon adoption by the board of the term "firearm" as defined in
28 Section 1 of this act into the Library of Definitions of the Streamlined
29 Sales and Use Tax Agreement, the Director of the Department of Finance and
30 Administration shall certify that "firearm" is a defined term within the
31 Library of Definitions of the Streamlined Sales and Use Tax Agreement.

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33 SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective on the
34 first day of the calendar quarter following certification required by the
35 Director of the Department of Finance and Administration under Section 2 of
36 this act.

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/s/Hester