

West's Arkansas Code Annotated  
Title 26. Taxation  
Subtitle 5. State Taxes (Chapters 50 to 71)  
Chapter 52. Gross Receipts Tax (Refs & Annos)  
Subchapter 3. Imposition of Tax (Refs & Annos)

A.C.A. § 26-52-301

§ 26-52-301. Excise tax levied

Effective: October 1, 2023

[Currentness](#)

Except for food and food ingredients that are taxed under § 26-52-317 and except for used motor vehicles, trailers, and semitrailers that are taxed under § 26-52-324, there is levied an excise tax of three percent (3%) upon the gross proceeds or gross receipts derived from all sales to any person of the following:

(1) The following items:

(A) Tangible personal property;

(B) Specified digital products sold:

(i) To a purchaser who is an end user; and

(ii) With the right of permanent use or less than permanent use granted by the seller regardless of whether the use is conditioned on continued payment by the purchaser; and

(C) Digital codes;

(2) Natural or artificial gas, electricity, water, ice, steam, or any other tangible personal property sold as a utility or provided as a public service;

(3) The following services:

(A)(i) Service of furnishing rooms, suites, condominiums, townhouses, rental houses, or other accommodations by hotels, apartment hotels, lodging houses, tourist camps, tourist courts, property management companies, accommodations intermediaries, or any other provider of accommodations to transient guests.

(ii) As used in subdivision (3)(A)(i) of this section:

(a) “Accommodations intermediary” means a person other than the owner, operator, or manager of a room, suite, condominium, townhouse, rental house, or other accommodation;

(b) “Furnishing” means brokering, coordinating, making available for, or otherwise arranging for the sale or use of a room, suite, condominium, townhouse, rental house, or other accommodation by a purchaser; and

(c) “Transient guests” means individuals who rent accommodations other than their regular place of abode on less than a month-to-month basis;

(B)(i) Service of initial installation, alteration, addition, cleaning, refinishing, replacement, and repair of:

(a) Motor vehicles;

(b) Aircraft;

(c) Farm machinery and implements;

(d) Motors of all kinds;

(e) Tires and batteries;

(f) Boats;

(g) Electrical appliances and devices;

(h) Furniture;

(i) Rugs;

(j) Flooring;

(k) Upholstery;

(l) Household appliances;

(m) Televisions and radios;

(n) Jewelry;

(o) Watches and clocks;

(p) Engineering instruments;

(q) Medical and surgical instruments;

(r) Machinery of all kinds;

(s) Bicycles;

(t) Office machines and equipment;

(u) Shoes;

(v) Tin and sheetmetal;

(w) Mechanical tools; and

(x) Shop equipment.

(ii) Additionally, the gross receipts tax levied in this section shall not apply to the repair or maintenance of railroad parts, railroad cars, and equipment brought into the State of Arkansas solely and exclusively for the purpose of being repaired, refurbished, modified, or converted within this state.

(iii) The General Assembly determines and affirms that the original intent of this subdivision (3) which provides that gross receipts derived from certain services would be subject to the gross receipts tax was not intended to be applicable, nor shall Arkansas gross receipts taxes be collected, with respect to services performed on watches and clocks which are received by mail or common carrier from outside this state and which, after the service is performed, are returned by mail or common carrier or in the repairer's own conveyance to points outside this state.

(iv) Additionally, the gross receipts tax levied in this section shall not apply to the repair or remanufacture of industrial metal rollers or platens that have a remanufactured, nonmetallic material covering on all or part of the roller or platen surface which are brought into the State of Arkansas solely and exclusively for the purpose of being repaired or remanufactured in this state and are then shipped back to the state of origin.

(v)(a) The gross receipts tax levied in this section shall not apply to the service of alteration, addition, cleaning, refinishing, replacement, or repair of commercial jet aircraft, commercial jet aircraft components, or commercial jet aircraft subcomponents.

(b) “Commercial jet aircraft” means any commercial, military, private, or other turbine or turbo jet aircraft having a certified maximum take-off weight of more than twelve thousand five hundred pounds (12,500 lbs.).

(vi) The provisions of subdivision (3)(B)(i) of this section shall not apply to the services performed by a temporary or leased employee or other contract laborer on items owned or leased by the employer. The following criteria must be met for a person to be a temporary or leased employee:

(a) There must be a written contract with the temporary employment agency, employee leasing company, or other contractor providing the services;

(b) The employee, temporary employment agency, employee leasing company, or other contractor must not bear the risk of loss for damages caused during the performance of the contract. The person for whom the services are performed must bear the risk of loss; and

(c) The temporary or leased employee or contract laborer is controlled by the employer as if he or she were a full-time permanent employee. “Control” includes, but is not limited to, scheduling work hours, designating work duties, and directing work performance.

(vii)(a) Additionally, the gross receipts tax levied in this section shall not apply to the initial installation, alteration, addition, cleaning, refinishing, replacement, or repair of nonmechanical, passive, or manually operated components of buildings or other improvements or structures affixed to real estate, including, but not limited to, the following:

(1) Walls;

(2) Ceilings;

(3) Doors;

(4) Locks;

(5) Windows;

(6) Glass;

(7) Heat and air ducts;

(8) Roofs;

(9) Wiring;

(10) Breakers;

(11) Breaker boxes;

(12) Electrical switches and receptacles;

(13) Light fixtures;

(14) Pipes;

(15) Plumbing fixtures;

(16) Fire and security alarms;

(17) Intercoms;

(18) Sprinkler systems;

(19) Parking lots;

(20) Fences;

(21) Gates;

(22) Fireplaces; and

(23) Similar components which become a part of real estate after installation, except flooring.

(b) A contractor is deemed to be a consumer or user of all tangible personal property, specified digital products, or digital codes used or consumed by the contractor in providing the nontaxable services, in the same manner as when performing any other contract.

(c) This subdivision (3)(B)(vii) shall not apply to any services subject to tax pursuant to the terms of subdivision (3)(D) of this section.

(viii) The gross receipts tax levied in subdivision (3)(B)(i) of this section shall not apply to the service of initial installation of any property that is specifically exempted from the tax imposed by this chapter;

(C)(i) Service of cable television, community antenna television, and any and all other distribution of television, video, or radio services with or without the use of wires provided to subscribers or paying customers or users, including all service charges and rental charges, whether for basic service, premium channels, or other special service, and including installation and repair service charges and any other charges having any connection with the providing of these services.

(ii) The tax levied by this section does not apply to services purchased by a radio or television company for use in providing its services.

(iii)(a) The tax levied by this section applies to the sale of a subscription for digital audio-visual work and digital audio work to an end user that does not have the right of permanent use granted by the seller and the use is contingent on continued payments by the purchaser.

(b) As used in this subdivision (3)(C)(iii):

(1) “Digital audio-visual work” means an electronically transferred series of related images that when shown in succession, impart an impression of motion, together with accompanying sounds, if any; and

(2) “Digital audio work” means an electronically transferred work that results from the fixation of a series of musical, spoken, or other sounds, including ringtones; and

**(D)(i) Service of:**

(a) Providing transportation or delivery of money, property, or valuables by armored car;

(b) Providing cleaning or janitorial work;

(c) Pool cleaning and servicing;

(d) Pager services;

(e) Telephone answering services;

(f) Lawn care and landscaping services;

(g) Parking a motor vehicle or allowing the motor vehicle to be parked;

(h) Storing a motor vehicle;

(i) Storing furs; and

(j) Providing indoor tanning at a tanning salon.

(ii) As used in subdivision (3)(D)(i) of this section:

(a) "Landscaping" means the installation, preservation, or enhancement of ground covering by planting trees, bushes and shrubbery, grass, flowers, and other types of decorative plants;

(b) "Lawn care" means the maintenance, preservation, or enhancement of ground covering of nonresidential property and does not include planting trees, bushes and shrubbery, grass, flowers, and other types of decorative plants; and

(c) "Residential" means a single family residence used solely as the principal place of residence of the owner;

(4) Printing of all kinds, types, and characters, including the service of overprinting, and photography of all kinds;

(5)(A) Tickets or admissions to places of amusement or to athletic, entertainment, or recreational events, or fees for access to or the use of amusement, entertainment, athletic, or recreational facilities.

(B) Membership dues paid to a hunting or fishing club that are paid to obtain access to land for the primary purpose of hunting or fishing are excluded from the tax levied in subdivision (5)(A) of this section;

(6)(A) Dues and membership fees to:

(i) Health spas, health clubs, and fitness clubs; and

(ii) Private clubs within the meaning of § 3-9-202 which hold any permit from the Alcoholic Beverage Control Board allowing the sale, dispensing, or serving of alcoholic beverages of any kind on the premises.

(B)(i) Except as provided in subdivision (6)(B)(ii) of this section, the gross receipts derived from services provided by or through a health spa, health club, fitness club, or private club shall not be subject to gross receipts tax unless the service is specifically enumerated as a taxable service under this chapter.

(ii) The gross receipts derived by a private club from the charges to members for the preparation and serving of mixed drinks or for the cooling and serving of beer and wine shall be subject to gross receipts tax as well as any supplemental taxes as provided by law.

(C) Membership dues paid to a hunting or fishing club that are paid to obtain access to land for the primary purpose of hunting or fishing are excluded from the tax levied in subdivision (6)(A) of this section;

(7)(A) Contracts, including service contracts, maintenance agreements and extended warranties, which in whole or in part provide for the future performance of or payment for services which are subject to gross receipts tax.

(B) The seller of the contract must collect and remit the tax due on the sale of the contract except when the contract is sold simultaneously with a motor vehicle in which case the purchaser of the motor vehicle shall pay gross receipts tax on the purchase of the contract at the time of vehicle registration; and

(8) The total gross receipts derived from the retail sale of any device used in playing bingo and any charge for admittance to facilities or for the right to play bingo or other games of chance regardless of whether the activity might otherwise be prohibited by law.

#### Credits

Acts of 1941, Act 386, § 3; Acts of 1945, Act 64, § 1; Acts of 1951 (Ex. Sess.), Act 8, § 1; Acts of 1957, Act 19, § 1; Acts of 1959, Act 260, § 1; Acts of 1971, Act 214, § 1; Acts of 1973, Act 181, § 1; Acts of 1977, Act 500, § 1; Acts of 1979, Act 585, § 1; Acts of 1981, Act 471, § 1; Acts of 1981, Act 983, § 1; Acts of 1987, Act 27, § 2; Acts of 1987, Act 188, § 1; Acts of 1989, Act 769, § 1; Acts of 1989 (3rd Ex. Sess.), Act 89, § 1; Acts of 1992 (1st Ex. Sess.), Act 58, § 2; Acts of 1992 (1st Ex. Sess.), Act 61, § 2; Acts of 1992 (2nd Ex. Sess.), Act 5, §§ 1, 2; Acts of 1993, Act 282, § 1, eff. March 1, 1993; Acts of 1993, Act 1245, § 4; Acts of 1995, Act 257, § 1, eff. Feb. 10, 1995; Acts of 1995, Act 284, § 1, eff. July 1, 1995; Acts of 1995, Act 835, § 2, eff. July 1, 1995; Acts of 1995, Act 1040, § 1; Acts of 1997, Act 1076, § 2; Acts of 1997, Act 1252, § 1; Acts of 1997, Act 1263, § 1, eff. April 9, 1997; Acts of 1997, Act 1359, § 32, eff. July 1, 1997; Acts of 1999, Act 1152, § 2, eff. April 6, 1999; Acts of 1999, Act 1348, § 1, eff. July 1, 1999; Acts of 2001, Act 1064, § 1, eff. Aug. 13, 2001; Acts of 2001, Act 907, § 2, eff. Aug. 1, 2002; Acts of 2003, Act 1112, § 1, eff. April 7, 2003; Acts of 2003, Act 1273, § 6, eff. Jan. 1, 2008; Acts of 2003 (2nd Ex. Sess.), Act 107, § 6, eff. March 1, 2004; Acts of 2005, Act 2008, § 1, eff. Aug. 12, 2005; Acts of 2007, Act 154, § 3, eff. March 1, 2007; Acts of 2007, Act 180, § 1, eff. June 30, 2007; Acts of 2007, Act 110, § 3, eff. Jan. 1, 2008; Acts of 2007, Act 154, § 4, eff. Jan. 1, 2008; Acts of 2009, Act 384, § 3, eff. March 10, 2009; Acts of 2011, Act 291, § 9, eff. July 27, 2011; Acts of 2017, Act 141, §§ 15, 16, eff. Aug. 1, 2017; Acts of 2019, Act 822, §§ 20, 21, eff. Oct. 1, 2019; Acts of 2021, Act 1013, § 1, eff. Jan. 1, 2022; Acts of 2023, Act 521, § 1, eff. Oct. 1, 2023.

Formerly A.S.A. 1947, §§ 84-1903, 84-1903.4.

#### Editors' Notes

#### VALIDITY

*For validity of a prior version of this section, see [McLeod v. J. E. Dilworth Co.](#), 1944, 322 U.S. 327, 64 S.Ct. 1023, 88 L.Ed. 1304.*



Notes of Decisions (37)

A.C.A. § 26-52-301, AR ST § 26-52-301

The constitution and statutes are current through the 2024 Fiscal Session and 2024 Second Extraordinary Session of the 94th Arkansas General Assembly. Some statute sections may be more current; see credits for details. Also included are changes made by the Arkansas Code Revision Commission received through June 30, 2024.

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