



Daily Legislative Update

91st General Assembly

Thursday, February 2, 2017 – Day 25

CAPITOL SCHEDULE

The Senate will convene today at 10:30 a.m. and the House will convene at 1:30 p.m.

To view schedules for all of today's activities, committee agendas, bills and other information related to the Session, visit www.arkleg.state.ar.us.

RECEPTION FOR CHRIS PALMER – TODAY

Welcome New Workers' Compensation Management Commissioner

The State Chamber/AIA will host a reception this afternoon from 4:30 pm until 5:30 pm to honor new Workers' Compensation Commission Management Commissioner Chris Palmer. The reception will be held in our Bob Lamb Conference Room. Please stop by and say hello to Chris.

STATE CHAMBER/AIA PRIORITY BILLS – * PLEASE SUPPORT *

HB 1405 by Rep. Robin Lundstrum, R-Springdale, and Sen. Jim Hendren, R-Gravette, is one of our priority bills for this session. This bill seeks to lower the unemployment insurance taxes paid by employers by reducing the wage base from \$12,000 to \$10,000. It also makes changes in the weeks of coverage and a base measure in calculating benefits.

TODAY AT THE CAPITOL

NOTICE TO PURCHASERS FROM REMOTE SELLERS REGARDING SALES TAX LIABILITY

HB 1388 by Rep. Dan Douglas, R-Bentonville, and Sen. Jake Files, R-Fort Smith, would require a seller that does not have a physical presence in this state and does not collect Arkansas sales or use tax on sales made to Arkansas residents to notify Arkansas purchasers that tax is due on certain purchases made from the seller and that Arkansas requires the purchaser to file a sales or use tax return.

It would also subject any seller who fails to comply with this section to a penalty of \$5 for each failure to provide notice. Sellers that do not have a physical presence in this state and do not collect Arkansas sales or use tax on sales made to Arkansas would be required to file an annual report by March 1 or each year of sales to each purchaser with the Director of the Department of Finance and Administration showing the total amount paid by each Arkansas purchaser to the seller during the preceding calendar

year. Those sellers that fail to file an annual report would be subject to a penalty of \$10 for each purchaser that should have been included in the report.

We **support** this bill that is expected to be heard this morning in the House Revenue and Taxation Committee.

GOVERNOR'S RETIRED MILITARY TAX REDUCTIONS

HB1162 by Rep. Charlene Fite, R-Van Buren, Sen. Jane English, R-North Little Rock, 30 additional House members and 13 additional Senators, received a Do Pass recommendation by the Senate Revenue and Taxation Committee yesterday morning and is on this afternoon's Senate Calendar.

We support this bill that will create an income tax exemption for military retirement.

RETAIL TAX PREPAYMENT

HB 1253 by Rep. Jeff Wardlaw, R-Warren, seeks to repeal the requirement that retailers with average net monthly sales of more than \$200,000 prepay a portion of their sales tax twice monthly. This bill is on this morning's House Revenue and Taxation Committee's agenda. We **support** this bill.

HIGHER EDUCATION FUNDING

HB 1209 by Rep. Mark Lowery, R-Maumelle and Sen. Eddie Joe Williams, R-Cabot, would require the Arkansas Higher Education Coordinating Board to adopt a productivity-based funding model for institutions of higher education and repeal the funding model currently in place, which is based on student enrollment. It received a Do Pass recommendation in the Senate Education Committee yesterday morning. We **support** this bill.

BILLS OF INTEREST

EMPLOYER PROTECTIONS

HB1126 by Rep. Charlie Collins, R-Fayetteville, would improve employers' standing in civil suits with employees by: a) amending the definition of employer to clarify that a natural person acting as a supervisor is not an employer, b) amending the hate crime section to eliminate claims arising out of employment relationship and c) creating a one-year limitation period for discrimination, retaliation and interference claims.

We **support** this bill because two of its three provisions address issues that we planned to address in one of our priority bills. It awaits consideration in the Senate Judiciary Committee.

YESTERDAY AT THE CAPITOL

GOVERNOR'S INCOME TAX REDUCTION

SB 115 and HB 1159 by Sen. Jim Hendren, R-Gravette, and Rep. Mat Pitsch, R-Fort Smith, which will lower the income tax rate for those earning less than \$21,000, were signed into law yesterday by Governor Hutchinson as Acts 78 and 79.

EQUALIZING SALES TAXES FOR REMOTE SELLERS WITH IN-STATE SELLERS

SB 140 by Sen. Jake Files, R-Fort Smith, and Rep. Dan Douglas, R-Bentonville, would require certain high-volume merchants that sell products in Arkansas, but do not have a physical presence in Arkansas, to remit sales taxes to Arkansas. This bill received a Do

Pass recommendation from the Senate Revenue and Taxation Committee yesterday morning.

We **support** this bill to equalize the sales tax playing field between in-state brick and mortar sellers with out-of-state sellers.

LIMITATIONS ON PURCHASES WITH FOOD STAMPS

HB 1035 by Rep. Mary Bentley, R-Perryville, and Sen. Cecile Bledsoe, R-Rogers, was not considered in the Senate Public Health, Welfare and Labor Committee yesterday. It may be considered next Wednesday.

We **oppose this bill** because of the burdens and costs that food retailers and manufacturers would incur to comply with this bill's requirements.

ARKANSAS HISTORIC REHABILITATION CREDIT

SB 253 by Sen. Bill Sample, R-Hot Springs, and Rep. Joe Jett, R-Success, received a Do Pass recommendation from the Senate Revenue and Taxation Committee yesterday. This bill seeks to increase the maximum allowable claim under the Arkansas historic rehabilitation income tax credit for income-producing properties for projects that start after July 1, 2017, but does not increase the total available to more than the existing \$1.6 million.

CORPORATE BUSINESS FILINGS

HB 1383 by Rep. Dwight Tosh, R-Jonesboro, would require the names listed in the articles of organization for a business to be full legal names. It would also require members that constitute management of a company to be listed along with any managers and would require full legal names of all. The sponsor was very receptive to concerns raised by multiple business interests yesterday. In a meeting yesterday afternoon of business interests and staff members of the Secretary of State's office, it was determined the bill was not written as intended and would likely not be considered further.

STATE CHAMBER/AIA BILL TRACKING TRACKED BILLS

The House has filed 422 bills.

The Senate 272 bills.

We are tracking 173 bills.

To view of list of bills we've added most recently to our tracking, click [here](#).

Our entire list of tracked bills are posted on our website by category, which you can access by clicking [here](#).

LEGISLATIVE SESSION INFORMATION AND MESSAGE CENTER

To view schedules, calendars, bill information and legislator information, visit www.arkleg.state.ar.us.

House of Representatives: 501-682-6211

Senate: 501-682-2902

State Chamber/AIA Governmental Affairs Team:

Randy Zook, President/CEO:

rzook@arkansasstatechamber.com

Kenny Hall, Executive Vice President:

khall@arkansasstatechamber.com

Andrew Parker, Director of Governmental Affairs:

aparker@arkansasstatechamber.com

Holly Wilson, Director of Governmental Affairs:

hwilson@arkansasstatechamber.com

Toni Bahn, Director of Governmental Affairs:

tbahn@arkansasstatechamber.com

State Chamber/AIA phone: (501) 372-2222

State Chamber/AIA web site: www.arkansasstatechamber.com

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The Daily Legislative Update is written by Kenny Hall. Edited & distributed by Jeff Thatcher.



1200 W. Capitol Ave., P.O. Box 3645
Little Rock, AR 72203-3645

501-372-2222
FAX 372-2722
