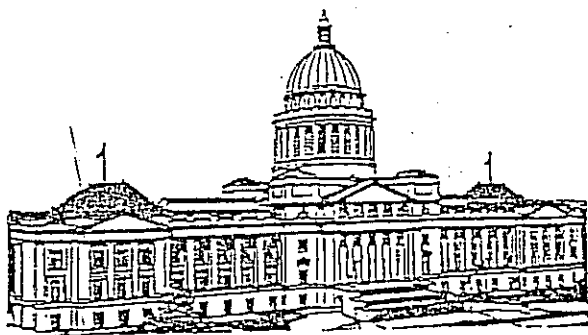


# ARKANSAS REGISTER

## Transmittal Sheet



Sharon Priest  
Secretary of State  
State Capitol Rm. 01  
Little Rock, Arkansas 72201-1094

For Office Use Only: Effective Date 5/8/98 Code Number 006.05, 98--011

Name of Agency Department of Finance & Administration

Department Revenue Division

Contact Person Don Zern Phone 682-7751

Statutory Authority for Promulgating Rules Ark. Code Ann. 26-18-301

	Date
Intended Effective Date	Legal Notice Published . . . . . <u>3/14/98</u>
<input type="checkbox"/> Emergency	Final Date for Public Comment . . . . . <u>4/27/98</u>
<input checked="" type="checkbox"/> 10 Days After Filing	Filed With Legislative Council . . . . . <u>2/27/98</u>
<input type="checkbox"/> Other	Reviewed by Legislative Council . . . . . <u>Yes</u>
	Adopted by State Agency . . . . . <u>4/27/98</u>

### CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted  
In Compliance with Act 434 of 1967 As Amended.

Don Zern  
Signature

682-7751  
Phone Number

Taxpayer Information Officer  
Title

April 28, 1998  
Date

FILED  
MAY REGISTER DIV.  
98 APR 28 PM 2:17  
SECRETARY OF STATE  
STATE OF ARKANSAS

**AMENDMENT TO GROSS RECEIPTS  
REGULATION GR-3(C)**

Arkansas Gross Receipts Tax Regulation GR-3(C) is amended to add two new paragraphs, to be paragraphs (4)(a) and (4)(b), to read as follows:

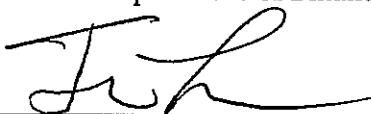
"(4)(a) Manufacturers' buydowns shall not be considered a part of the gross proceeds or gross receipts paid by consumers for products on which buydowns have been paid. The provisions of this regulation do not affect sales of property involving the use of manufacturer's or retailer's coupons. Sales involving the use of such coupons shall be governed by Gross Receipts Tax Regulation GR-18.

(b) For purposes of this regulation, a "buydown" is a cash payment made to a retailer by a manufacturer as an incentive to the retailer to reduce the retail price of the manufacturer's products for the purpose of increasing sales of such products. A buydown is a transaction between the manufacturer and the retailer, to which the consumer is not a party."

Issued this 27<sup>th</sup> day of April, 1998 in the City of Little Rock, Arkansas.



Richard A. Weiss, Director  
Arkansas Department of Finance and Administration



Tim Leathers, Deputy Director and Commissioner of Revenue  
Arkansas Department of Finance and Administration

**FILED**  
AR. REGISTER DIV.  
98 APR 28 PM 2:17  
CLERK OF STATE  
STATE OF ARKANSAS  
61

DEPARTMENT: Department of Finance and Administration  
DIVISION Revenue Division:  
PERSON COMPLETING  
THIS STATEMENT: Ed Hicks, Excise Tax Administrator  
TELEPHONE NO.: (501) 682-7200  
FAX NO.: (501) 682-7900

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE: Regulation GR-3(C) (Manufacturers' Buydowns)

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?  
Yes: No: **XX**
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. **Does Not Apply.**

<u>1997-98 Fiscal Year</u>	<u>1997-98 Fiscal Year</u>
General Revenue: _____	General Revenue: _____
Federal Funds: _____	Federal Funds: _____
Cash Funds: _____	Cash Funds: _____
Special Revenue: _____	Special Revenue: _____
Other: _____	Other: _____
Total: _____	Total: _____
None	None

4. What is the total estimated cost by fiscal year to any party subject to the, proposed, amended, or repealed rule or regulation? **None.**

<u>1997-98 Fiscal Year</u>	<u>1998-99 Fiscal Year</u>
<b>None</b>	<b>None</b>

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

<u>1997-98 Fiscal Year</u>	<u>1998-99 Fiscal Year</u>
<b>No additional cost</b>	<b>No additional cost</b>

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SECRETARY OF STATE  
STATE OF ARKANSAS  
BY \_\_\_\_\_