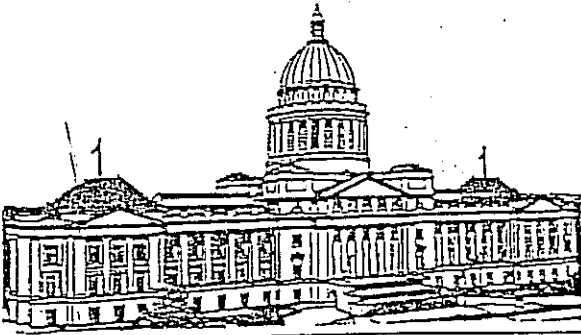


ARKANSAS REGISTER

Transmittal Sheet



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

For Office Use Only: Effective Date 7/18/98 Code Number 006.05.98--016
Name of Agency Department of Finance & Administration
Department Revenue Division
Contact Person Don Zorn Phone 683-7751
Statutory Authority for Promulgating Rules Ark. Code Ann. 26-18-301
GR-21

	Date
Intended Effective Date	<u>8/6/98</u>
<input type="checkbox"/> Emergency	Final Date for Public Comment <u>6/9/98</u>
<input checked="" type="checkbox"/> 10 Days After Filing	Filed With Legislative Council <u>YRS</u>
<input type="checkbox"/> Other	Reviewed by Legislative Council <u>YRS</u>
	Adopted by State Agency <u>3/31/98</u>

CERTIFICATION OF AUTHORIZED OFFICER

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

Don Zorn
Signature
683-7751
Phone Number
T A O
Title
July 8, 1998
Date

FILED
ARK. REGISTER DIV.
58 JUL -8 AM 11:16
SECRETARY OF STATE
STATE OF ARKANSAS

AMENDMENT TO
ARKANSAS GROSS RECEIPTS REGULATION GR-21

These amendments to the Arkansas Gross Receipts Regulations are necessary in order to properly implement and enforce Ark. Code Ann. § 26-52-301 and are promulgated pursuant to the authority vested in the Director of the Department of Finance and Administration and the Commissioner of Revenue by Act 386 of 1941 and Act 401 of 1979.

Gross Receipts Regulation GR-21 (E) is amended to add a new paragraph to be paragraph 5 to read as follows:

“ 5. Carpenters.

a. The installation, repair or replacement of custom or standard sized cabinets, shelves or other built in furnishings which become affixed to real property, are not taxable services. A person who builds cabinets, shelves or other built in furnishings either on-site or off-site and installs these items for the customer is a contractor. Contractors are required to either pay tax to their suppliers on their purchases of materials or self-assess tax on the purchase price of property withdrawn from their stock or inventory for use.

b. If the contractor installs prefabricated cabinets, shelves or other built in furnishings or a partially fabricated cabinet or other item from an inventory of prefabricated items he maintains, the contractor should self-assess tax as a withdrawal from inventory (stock) on the retail price of the cabinets, shelves or furnishings installed.

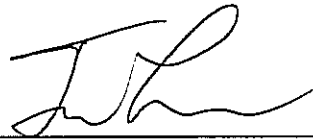
c. A cabinet maker who builds and sells either prefabricated or custom made cabinets, shelves or other furnishings and does not install these items is a retail seller and must collect and remit sales tax on the retail value of the item. ”



Richard A. Weiss
Director, Department of Finance
and Administration

3-31-98

Date



Tim Leathers
Commissioner of Revenue

3-31-98

Date

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-21 (amended).

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.**

1997-98 Fiscal Year

General Revenue: _____
Federal Funds: _____
Cash Funds: _____
Special Revenue: _____
Other: _____
Total: _____

None

1997-98 Fiscal Year

General Revenue: _____
Federal Funds: _____
Cash Funds: _____
Special Revenue: _____
Other: _____
Total: _____

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.**

1997-98 Fiscal Year

None

1998-99 Fiscal Year

None

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

1997-98 Fiscal Year

No additional cost

1998-99 Fiscal Year

No additional cost