

ARKANSAS SENATE
84th General Assembly - Second Extraordinary Session, 2003
Amendment Form

Subtitle of Senate Bill No. 62

"TO PROVIDE ADDITIONAL REVENUE TO FUND THE EDUCATIONAL SYSTEM."

Amendment No. 2 to Senate Bill No. 62.

Amend Senate Bill No. 62 as engrossed, S1/20/04 (version: 01-20-2004 11:28):

Page 1, delete line 11, and substitute:
"SEVEN-EIGHTHS OF ONE PERCENT (0.875%); TO"

AND

Page 1, delete line 18, and substitute the following:
"EXCISE TAX ON LIQUOR; TO INCREASE THE EXCISE TAX ON WINE; TO INCREASE THE
EXCISE TAX ON BEER; TO"

AND

Page 1, delete line 35 and substitute the following:
"tax of seven-eighths of one percent (0.875%) upon all taxable sales of"

AND

Page 2, delete line 19 and substitute the following:
"tax of seven-eighths of one percent (0.875%) upon all tangible personal"

AND

Page 2, delete line 30 and substitute the following:
"tax of seven-eighths of one percent (0.875%) upon all tangible personal"

AND

Page 7, delete lines 35 and 36 and substitute the following:
"not apply to any services subject to tax pursuant to terms of subdivision
3(E) of this section.
(ix) The gross receipts tax levied in subdivision (3)(C)(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 the Arkansas
Gross Receipts Act of 1941, § 26-52-101 et seq."



AND

Page 10, delete line 28 and substitute the following:

“subdivision (3)(E) of this section.

(ix) The gross receipts tax levied in subdivision (3)(C)(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 the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.”

AND

Page 10, delete lines 30 through 36

AND

Page 11, delete lines 1 through 26

AND

Page 11, on line 28, delete "SECTION 10" and substitute "SECTION 9"

AND

Page 12, delete line 14 and substitute the following:

“(i) Incorporated into real property, except as provided in subdivision 12(D) of this section;”

AND

Page 12, delete line 19 and substitute the following:

locking devices for another person.

(D) “Locksmith services” shall not include the initial installation of locks by a contractor in new construction.

AND

Page 13, on line 3, delete "SECTION 11" and substitute "SECTION 10"

AND

Page 14, delete lines 34 through 36 and substitute:

“SECTION 11. Arkansas Code Title 3, Chapter 7, Subchapter 1 is amended to add an additional section to read as follows:

3-7-206. Additional Tax.

(a)(1) In addition to the special alcoholic beverage excise tax levied upon all retail receipts or proceeds derived from the sale of liquor, cordials, liqueurs, specialties, and sparkling and still wines under § 3-7-201(a)(1), there is levied an excise tax of one percent (1%) upon all taxable sales subject to the tax levied in § 3-7-201(a)(1).

(2) Native wine sold at retail in this state shall be subject to the special alcoholic beverage excise tax levied upon all retail receipts or

proceeds derived from the sale of liquor, cordials, liqueurs, specialties, and sparkling and still wines under the provisions of this section.

(3) In addition to the special alcoholic beverage excise tax levied upon all retail receipts or proceeds derived from the sale of beer by § 3-7-201(a)(3)(A), there is levied an excise tax of one percent (1%) upon all taxable sales of beer subject to the tax in § 3-7-201(a)(3)(A).

(4) The taxes levied by this section shall be in addition to all other taxes now imposed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(5) The taxes levied under this section shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of all other Arkansas gross receipts taxes.

(b) It shall be the duty of every retailer in this state to collect the tax levied in this section from the consumer in addition to the established retail price of beer, liquor, cordials, liqueurs, specialties, sparkling and still wines and to file a return and remittance with the Director of the Department of Finance and Administration on or before the twentieth day of each calendar month for the preceding month.

(c) Failure to file the return and remittance on the due date shall be cause for the director to enter an assessment for the return and remittance and add as a penalty ten percent (10%) of the amount of tax found to be due.

(d) Returns shall be filed upon forms prescribed by the director in accordance with such regulations as the director may promulgate hereunder.

(e) The revenues derived from the excise taxes levied under this section shall be special revenues and shall be deposited in the Educational Adequacy Trust Fund.”

AND

Page 15, delete lines 1 through 36

AND

Page 16, delete lines 1 through 36

AND

Page 17, delete lines 1 through 36

AND

Page 18, delete lines 2 through 16

AND

Page 18, delete line 36 and substitute the following:

"vending tax at the rate of eight percent (8%) is hereby levied on the purchase"

AND

Page 19, delete lines 7 and 8 and substitute the following:

"(2)(A) An additional tax of one percent (1%) is hereby levied on the purchase price of all"

AND

Page 22, delete lines 34 and 35 and substitute the following:

"or thing of value of ~~twenty five cents (25¢) or more~~ for a sale, ~~seventy dollars (\$70.00)~~ two dollars (\$2.00);"

AND

Page 23, delete line 5 and substitute the following:

"~~sale, seven dollars and fifty cents (\$7.50)~~ two dollars (\$2.00); and"

AND

Page 23, delete lines 12 and 13 and substitute the following:

"~~twenty five cents (25¢) or more~~ for a sale, ~~thirty dollars (\$30.00)~~ two dollars (\$2.00)."

AND

Page 24, delete lines 17 through 22 and substitute the following:

"device, the fee shall be two dollars (\$2.00) for each thirty-day period for which the short-term decal is issued, up to the annual rate of two dollars (\$2.00); and

(B) For each coin-operated bulk vending device, the fee shall be one dollars (\$1.00) for each thirty-day period for which the short-term decal is issued, up to the annual rate of two dollars (\$2.00)."

AND

Page 27, delete lines 14 through 16 and substitute the following:

"(b) The Educational Adequacy Trust Fund shall consist of the revenues generated by Arkansas Code §§ 26-52-302, 26-53-107, and 26-52-316), 33-7-206, 26-57-1002(d)(1)(A), the repeal of the exemption for capital gain in § 26-51-815(b), and other revenues as provided by law."

AND

Page 28, delete line 12 and substitute the following:

"under Arkansas Code § 19-5-202(b)(2)(B)(i).

(f)(1)(A) For the fiscal year beginning July 1, 2005, the Chief Fiscal Office shall determine an amount equivalent to the revenues generated by the repeal of the capital gains exemption in Section 10 of this act for transfer to the Educational Adequacy Trust Fund.

(B) For each of the months January through June 2005, the Chief Fiscal Officer of the State shall transfer the amount of two million, one hundred thousand dollars (\$2,100,000) monthly from gross receipts to the

Revenue Holding Fund Account of the State Apportionment Fund.

(C) On July 1, 2005, the Treasurer of State shall transfer the twelve million six hundred thousand dollars (\$12,600,000) transferred to the Revenue Holding Fund Account according to subdivision (f)(1)(B) of this section to the Educational Adequacy Trust Fund Account.

(D) On March 1, 2006, the Chief Fiscal Office of the State shall:

(i) Calculate the amount generated by the repeal of the capital gain exemption from individual income tax returns filed during calendar year 2005;

(ii) Subtract from the amount calculated in subdivision (f)(1)(D)(i) of this section the twelve million six hundred thousand dollars (\$12,600,000) transferred to the Educational Adequacy Trust Fund Account on July 1, 2005; and

(iii) Certify the amount of the difference to the Treasurer of State.

(iv) The Treasurer of State shall transfer the amount certified in subdivision (f)(1)(D)(iii) of this section from the Revenue Holding Fund Account of the State Apportionment Fund to the Educational Adequacy Trust Fund, after making the deductions required from the net general revenues under Arkansas Code § 19-5-202(b)(2)(B)(i).

(2)(A) On March 1, 2007, and each year thereafter, the Chief Fiscal Office of the State shall calculate the amount generated by the repeal of the capital gain exemption from individual income tax returns filed during the previous calendar year and shall certify this amount to the Treasurer of State.

(B) The Treasurer of State shall transfer the amount certified in subdivision (f)(2)(A) of this section from the Revenue Holding Fund Account of the State Apportionment Fund to the Educational Adequacy Trust Fund, after making the deductions required from the net general revenues under Arkansas Code § 19-5-202(b)(2)(B)(i)."

AND

Page 28, delete line 17 and substitute the following:

"SECTION 22. Sections 7, 8, and 9 of this bill become effective on"

AND

Page 28, delete line 20 and substitute the following:

"SECTION 23. Section 10 applies to tax years beginning on or after"

AND

Page 28, delete line 23 and substitute the following:

"SECTION 24. Section 11 becomes effective on March 1,"

AND

Page 28, delete line 26 and substitute the following:

"SECTION 25. Sections 12 through 19 become effective on July 1, 2004."

AND

Appropriately renumber the remaining sections of the bill.

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Wooldridge

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Secretary