

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. 3 to Senate Bill No. 62.

Amend Senate Bill No. 62 as engrossed, S1/23/04 (version: 01-23-2004 13:08):

Page 1, delete line 11 and substitute:

"SALES AND USE TAX OF SEVEN-EIGHTHS OF ONE PERCENT (0.875%); TO"

AND

Page 2, on line 29, delete "Acts 2003, No. 1223" and substitute "Acts 2003, No. 1273"

AND

Page 11, on line 6, delete "The gross proceeds" and substitute:

"(a) The gross proceeds"

AND

Page 11, delete lines 20 through 36 and substitute:

"month-to-month basis;

(12) Locksmith services;

(13) Personal instruction services; and

(14) Pet grooming and kennel services.

(b) For purposes of this section:

(1)(A) "Locksmith services" means repairing, servicing, or installing locks and locking devices, whether the locks and locking devices are:

(i) Incorporated into real property;

(ii) Incorporated into tangible personal property;

or

(iii) Locks separate and apart from other property.

(B) "Locksmith services" also includes unlocking locks or locking devices for another person; and

(2) "Personal instruction services" means teaching an individual or group of individuals:



(A) To play a musical instrument or to dance;
(B) To paint, sculpt, draw, make pottery or jewelry, or otherwise engage in artistic or creative activities;
(C) To mime, act, or otherwise engage in dramatic activities;
(D) Tae kwon do, tae bo, kung fu, karate, or other martial arts;
(E) To play or improve skills in baseball, football, basketball, soccer, volleyball, golf, tennis, or other sports;
(F) To drive a motor vehicle;
(G) To fly an airplane, glider, or other aircraft; or
(H) To operate a boat, jet ski, or other watercraft."

AND

Page 12, delete lines 1 through 15

AND

Page 14, delete lines 14 through 36 and substitute:

"3-7-206. Additional Tax.

(a)(1) An additional one percent (1%) excise tax is levied upon all gross receipts or proceeds derived from the retail sale of liquor, cordials, liqueurs, specialties, sparkling and still wines, native wine, and beer.

(2) 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. and the excise tax imposed by § 3-7-201.

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

(d) The revenues derived from the excise tax 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 12

AND

Page 21, on line 17, delete "one dollars" and substitute "one dollar"

AND

Page 24, delete lines 7 through 36 and substitute:

"(a) There is created on the books of the Treasurer of State, the Auditor of State, and Chief Fiscal Officer of the State a special revenue fund to be known as the Educational Adequacy Trust Fund.

(b) The Educational Adequacy Trust Fund shall consist of the revenues generated by Arkansas Code §§ 26-52-302(d), 26-53-107(d), 26-52-316, 3-7-206, 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.

(c) On the last day of the month, the Treasurer of State shall transfer amounts available in the Educational Adequacy Trust Fund to the Department of Education Public School Fund Account established in Arkansas Code § 19-5-305, to be used for the purposes provided by law. The Treasurer of State shall make the transfer after making the deductions required from the net special revenues as set out in Arkansas Code § 19-5-203(b)(2)(A).

(d)(1) Additionally, for each of the state's fiscal years, the Chief Fiscal Officer of the State shall determine as an annual allocation amount for the Educational Adequacy Trust Fund an amount equivalent to the revenues generated by Arkansas Code § 26-52-316 which shall be equal to total net general revenues as enumerated in § 19-6-201(1) and (2), which were collected in the immediate past year, times a factor of 0.0103.

(2) The Chief Fiscal Officer of the State shall certify to the Treasurer of State the amount determined in subdivision (d)(1) of this section for transfer to the Educational Adequacy Trust Fund.

(3) The Treasurer of State shall make the transfer from general revenues after making the deductions required from the net general revenues under Arkansas Code § 19-5-202(b)(2)(B)(i).

(e)(1) Additionally, for each of the state's fiscal years, the Chief Fiscal Officer of the State shall determine as an annual allocation amount for this Educational Adequacy Trust Fund an amount equivalent to the revenues generated by the increase in the wholesale vending tax which shall be equal to the total net general revenues as enumerated in § 19-6-201(1) and (2), which were collected in the immediate past year, times a factor of 0.0031.

(2) The Chief Fiscal Officer of the State shall certify to the Treasurer of State the amount determined in subdivision (e)(1) of this section for transfer to the Educational Adequacy Trust Fund.

(3) The Treasurer of State shall make the transfer from general revenues after making the deductions required from the net general revenues under Arkansas Code § 19-5-202(b)(2)(B)(i).

(f)(1)(A) For the fiscal year beginning July 1, 2005, the Chief Fiscal Officer shall determine an amount equivalent to the revenues generated by the repeal of the capital gain exemption in Arkansas Code § 26-51-815(b) 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 twelve million six hundred thousand dollars (\$12,600,000) from the Revenue Holding Fund Account of the State Apportionment Fund to the Educational

Adequacy Trust Fund Account.

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

(a) Calculate the amount generated by the repeal of the capital gain exemption in Arkansas Code § 26-51-815(b) from individual income tax returns filed during calendar year 2005;

(b) Subtract from the amount calculated in subdivision (f)(1)(D)(i)(a) 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

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

(ii) The Treasurer of State shall transfer the amount certified in subdivision (f)(1)(D)(i)(c) of this section 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 in Arkansas Code § 26-51-815(b) 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 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 25, delete lines 1 through 36

AND

Page 26, delete lines 1 through 11.

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

By: Senator Wooldridge
BBC/BBC - 01-26-2004 10:18
BBC038

Secretary