

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative B. Wood**

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO PROVIDE FOR THE DISTRIBUTION OF UNIDENTIFIED
9 LOCAL SALES AND USE TAXES COLLECTED BY OUT-OF-STATE
10 VENDORS; AND FOR OTHER PURPOSES."

11

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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14 SECTION 1. Ark. Code Ann. §26-74-221(a) is amended to read as follows:

15 "(a) (1) There is created a trust fund for the remittance of local
16 sales and use taxes which shall be known as The Local Sales and Use Tax Trust
17 Fund.

18 (2) (A) There is also created a trust fund which shall be known as the
19 Identification Pending Trust Fund for Local Sales and Use Taxes.

20 (B) (i) Money reported as local sales and use taxes which was
21 collected in local taxing jurisdictions which are not immediately identifiable
22 and money collected in local jurisdictions which have no tax shall be
23 deposited in the Identification Pending Trust Fund for Local Sales and Use
24 Taxes.

25 (ii) When a local tax jurisdiction is identified for money
26 which has been deposited in the Identification Pending Trust Fund for Local
27 Sales and Use Taxes, the money shall be transferred to the Local Sales and Use
28 Tax Trust Fund.

29 (iii) When the total amount in the Identification Pending
30 Trust Fund for Local Sales and Use Taxes exceeds fifty thousand dollars
31 (\$50,000), the State Treasurer shall transfer any amount in excess of fifty
32 thousand dollars (\$50,000) to general revenues.

33 (C) (i) Money reported as local sales and use taxes, which was
34 collected by an out-of-state vendor and which is not identifiable, shall be
35 deposited in the Identification Pending Trust Fund for Local Sales and Use

1 Taxes. Any such funds so deposited shall not be included for computation of
2 transfer to general revenue in (B) above.

3 (ii) The State Treasurer shall distribute unidentified local sales
4 and use taxes collected by out-of-state vendors to the county treasurers and
5 city treasurers as determined by their proportionate share of distribution
6 from the Local Sales and Use Tax Trust Fund on a monthly basis."

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8 SECTION 2. Ark. Code Ann. §26-74-317(a) is amended to read as follows:

9 "(a) (1) There is created a trust fund for the remittance of local
10 sales and use taxes which shall be known as the Local Sales and Use Tax Trust
11 Fund.

12 (2) (A) There is also created a trust fund which shall be known
13 as the Identification Pending Trust Fund for Local Sales and Use Taxes.

14 (B) (i) Money reported as local sales and use taxes which
15 was collected in local taxing jurisdictions which are not immediately
16 identifiable and money collected in local jurisdictions which have no tax
17 shall be deposited in the Identification Pending Trust Fund for Local Sales
18 and Use Taxes.

19 (ii) When a local tax jurisdiction is identified for
20 money which has been deposited in the Identification Pending Trust Fund for
21 Local Sales and Use Taxes, the money shall be transferred to the Local Sales
22 and Use Tax Trust Fund.

23 (iii) When the total amount in the Identification
24 Pending Trust Fund for Local Sales and Use Taxes exceeds fifty thousand
25 dollars (\$50,000), the State Treasurer shall transfer any amount in excess of
26 fifty thousand dollars (\$50,000) to general revenues.

27 (C) (i) Money reported as local sales and use taxes, which
28 was collected by an out-of-state vendor and which is not identifiable, shall
29 be deposited in the Identification Pending Trust Fund for Local Sales and Use
30 Taxes. Any such funds so deposited shall not be included for computation of
31 transfer to general revenue in (B) above.

32 (ii) The State Treasurer shall distribute unidentified
33 local sales and use taxes collected by out-of-state vendors to the county
34 treasurers and city treasurers as determined by their proportionate share of
35 distribution from the Local Sales and Use Tax Trust Fund on a monthly basis."

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SECTION 3. Ark. Code Ann. §26-75-223(a) is amended to read as follows:

"(a) (1) There is created a trust fund for the remittance of local sales and use taxes which shall be known as The Local Sales and Use Tax Trust Fund.

(2) (A) There is also created a trust fund which shall be known as the Identification Pending Trust Fund for Local Sales and Use Taxes.

(B) (i) Money reported as local sales and use taxes which was collected in local taxing jurisdictions which are not immediately identifiable and money collected in local jurisdictions which have no tax shall be deposited in the Identification Pending Trust Fund for Local Sales and Use Taxes.

(ii) When a local tax jurisdiction is identified for money which has been deposited in the Identification Pending Trust Fund for Local Sales and Use Taxes, the money shall be transferred to the Local Sales and Use Tax Trust Fund.

(iii) When the total amount in the Identification Pending Trust Fund for Local Sales and Use Taxes exceeds fifty thousand dollars (\$50,000), the State Treasurer shall transfer any amount in excess of fifty thousand dollars (\$50,000) to general revenues.

(C) (i) Money reported as local sales and use taxes which was collected by an out-of-state vendor and which is not identifiable, shall be deposited in the Identification Pending Trust Fund for Local Sales and Use Taxes. Any such funds so deposited shall not be included for computation of transfer to general revenue in (B) above.

(ii) The State Treasurer shall distribute unidentified local sales and use taxes collected by out-of-state vendors to the county treasurers and city treasurers as determined by their proportionate share of distribution from the Local Sales and Use Tax Trust Fund on a monthly basis."

SECTION 4. Ark. Code Ann. §26-75-318(a) is amended to read as follows:

"(a) (1) There is created a trust fund for the remittance of local sales and use taxes which shall be known as the Local Sales and Use Tax Trust Fund.

(2) (A) There is also created a trust fund which shall be known

1 as the Identification Pending Trust Fund for Local Sales and Use Taxes.

2 (B) (i) Money reported as local sales and use taxes which
3 was collected in local taxing jurisdictions which are not immediately
4 identifiable and money collected in local jurisdictions which have no tax
5 shall be deposited in the Identification Pending Trust Fund for Local Sales
6 and Use Taxes.

7 (ii) When a local tax jurisdiction is identified for
8 money which has been deposited in the Identification Pending Trust Fund for
9 Local Sales and Use Taxes, the money shall be transferred to the Local Sales
10 and Use Tax Trust Fund.

11 (iii) When the total amount in the Identification
12 Pending Trust Fund for Local Sales and Use Taxes exceeds fifty thousand
13 dollars (\$50,000), the State Treasurer shall transfer any amount in excess of
14 fifty thousand dollars (\$50,000) to general revenues.

15 (C) (i) Money reported as local sales and use taxes which
16 was collected by an out-of-state vendor and which is not identifiable, shall
17 be deposited in the Identification Pending Trust Fund for Local Sales and Use
18 Taxes. Any such funds so deposited shall not be included for computation of
19 transfer to general revenue in (B) above.

20 (ii) The State Treasurer shall distribute unidentified
21 local sales and use taxes collected by out-of-state vendors to the county
22 treasurers and city treasurers as determined by their proportionate share of
23 distribution from the Local Sales and Use Tax Trust Fund on a monthly basis."
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25 SECTION 5. All provisions of this act of a general and permanent nature
26 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
27 Revision Commissioner shall incorporate the same in the Code.

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29 SECTION 6. If any provision of this act or the application thereof to
30 any person or circumstance is ruled invalid, such invalidity shall not affect
31 other provisions or applications of the act which can be given effect without
32 the invalid provision or application, and to this end the provisions of this
33 act are declared to be severable.

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35 SECTION 7. All laws and parts of laws in conflict with this act are

1 hereby repealed.

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3 SECTION 8. It is hereby found and determined that cities and counties
4 are losing needed tax revenues because of the inability to identify taxes
5 collected by out of state vendors to the appropriate taxing jurisdiction; that
6 this Act is designed to remedy this problem by providing a mechanism to fairly
7 identify and distribute these taxes to the cities and counties. Therefore, an
8 emergency is hereby declared to exist and this Act, being necessary for the
9 public safety, health and welfare shall be in full force and effect on and
10 after the date of its passage and approval.

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