

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Senator Clarence Bell**

A Bill

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO LEVY AN ADDITIONAL ONE PERCENT (1%) SALES AND
9 USE TAX TO BE USED EXCLUSIVELY FOR PUBLIC SCHOOLS,
10 COLLEGES, UNIVERSITIES, AND VOCATIONAL-TECHNICAL SCHOOLS;
11 AND FOR OTHER PURPOSES."

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

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15 SECTION 1. In addition to the sales tax levied by the Arkansas Gross
16 Receipts Act (Arkansas Code 26-52-101 et seq.) and in addition to all other
17 state and local sales taxes, there is hereby levied an excise tax of one
18 percent (1%) upon all taxable sales of property and services subject to the
19 tax levied by the Arkansas Gross Receipts Act. The additional tax levied by
20 this act shall be collected, reported, and paid in the same manner and at the
21 same time as is prescribed by law for the collection, reporting, and payment
22 of the tax levied by the Arkansas Gross Receipts Act.

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24 SECTION 2. In addition to the use tax levied by the Arkansas
25 Compensating Tax Act (Arkansas Code 26-53-101 et seq.) and all other state and
26 local use taxes, there is hereby levied upon and there shall be collected from
27 every person in this state an excise tax for the privilege of storing, using,
28 distributing, or consuming within this state any tangible personal property
29 which is subject to the Arkansas Compensating Tax Act and which is purchased
30 outside this state for storage, use, distribution, or consumption in this
31 state. The additional tax shall be levied at the rate of one percent (1%) of
32 the sales price of the property. The additional tax levied by this act shall
33 be collected, reported, and paid in the same manner and at the same time as is
34 prescribed by law for the collection, reporting, and payment of the tax levied
35 by the Arkansas Compensating Tax Act.

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SECTION 3. The proceeds derived from the tax levied by this act shall be deposited in the State Treasury as special revenues and distributed as follows:

- 1. Seventy-five percent (75%) to the Public School Fund;
- 2. Fifteen percent (15%) to the various general revenue funds of the institutions of higher education based on each fund's proportion of its appropriation from general revenues versus the total general revenues appropriated to all general revenue funds of the institutions of higher education;
- 3. Ten percent (10%) to the Vocational-Technical Schools Fund Account.

SECTION 4. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 5. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 6. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 7. EMERGENCY. It is hereby found and determined by the General Assembly that additional funds are immediately needed for public elementary and secondary education, colleges and universities, and vocational-technical schools; that this act will generate needed additional revenues by the levy of an additional one percent (1%) sales and use tax; and that this act should go into effect immediately in order to generate additional revenues as soon as possible. Therefore, an emergency is hereby declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after May 1, 1991.

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