

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

# A Bill

**SENATE BILL 131**

## **For An Act To Be Entitled**

8 "AN ACT TO LEVY AN ADDITIONAL ONE PERCENT (1%) SALES AND  
9 USE TAX; TO EXEMPT FOOD FROM THE STATE SALES AND USE TAX;  
10 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. In addition to the sales tax levied by the Arkansas Gross  
15 Receipts Act (Arkansas Code 26-52-101 et. seq.) and in addition to all other  
16 state and local sales taxes, there is hereby levied an excise tax of one  
17 percent (1%) upon all taxable sales of property and services subject to the  
18 tax levied by the Arkansas Gross Receipts Act. The additional tax levied by  
19 this act shall be collected, reported, and paid in the same manner and at the  
20 same time as is prescribed by law for the collection, reporting, and payment  
21 of the tax levied by the Arkansas Gross Receipts Act.

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

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1 SECTION 3. (a) The gross receipts or gross proceeds derived from sales  
2 of food for human consumption, other than food sold for on-premises  
3 consumption, shall hereafter be exempt from the Arkansas gross receipts tax  
4 levied by Arkansas Code 26-52-301, Arkansas Code 26-52-302 and the additional  
5 tax levied under this act.

6 (b) For the purpose of this section, "food" does not include the  
7 following:

8 (1) Spirituous, vinous, or malt liquor, beer, native wine, or any  
9 other liquid containing alcohol when sold as a beverage; or

10 (2) Soft drinks.

11 (c) For the purpose of this section, "soft drink" means any non-  
12 alcoholic beverage sold for human consumption including but not limited to the  
13 following:

14 (1) Soda water, ginger ale, all drinks commonly referred as cola,  
15 lime, lemon, lemon-lime and other flavored drinks whether naturally or  
16 artificially flavored and whether or not containing any natural fruit juice;

17 (2) Vegetable juice, including any fruit or vegetable drink  
18 containing thirty percent (30%) or less natural fruit juice or natural  
19 vegetable juice; and

20 (3) All other drinks and beverages commonly referred to as soft  
21 drinks but not including milk and not including coffee or tea unless the  
22 coffee or tea is bottled as a liquid for sale.

23 The term soft drink includes these beverages in any form whether as a finished  
24 bottled soft drink, soft drink syrup, simple syrup, powder or other base.

25 (d) The provisions of this section shall not apply to the levy of any  
26 sales or use tax by a municipality or county pursuant to Arkansas law.

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28 SECTION 4. The tax levied and exemption granted under this act shall  
29 become effective on the first day of the calendar month following the  
30 effective date of this act.

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32 SECTION 5. *All additional net revenues derived from the Arkansas Gross*  
33 *Receipts Tax during the fiscal biennium beginning July 1, 1991 and ending June*  
34 *30, 1993 as a result of the enactment of this act shall be credited to the*  
35 *Educational Excellence Trust Fund and shall be allocated and used exclusively*  
36 *for the purposes prescribed by law. Thereafter such additional revenues shall*

1 *be deposited in the State Treasury as general revenues.*

2 SECTION 6. All provisions of this act of a general and permanent  
3 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
4 Code Revision Commission shall incorporate the same in the Code.

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6 SECTION 7 . If any provision of this act or the application thereof to  
7 any person or circumstance is held invalid, such invalidity shall not affect  
8 other provisions or applications of the act which can be given effect without  
9 the invalid provision or application, and to this end the provisions of this  
10 act are declared to be severable.

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12 SECTION 8 . All laws and parts of laws in conflict with this act are  
13 hereby repealed.

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