

1 **State of Arkansas**  
2 **79th General Assembly**  
3 **Regular Session, 1993**  
4 **By: Representative Flanagin**

# A Bill

**HOUSE BILL 2083**

## For An Act To Be Entitled

8 "AN ACT TO LEVY AN ADDITIONAL SEVERANCE TAX UPON NATURAL  
9 GAS; AND FOR OTHER PURPOSES."

### Subtitle

12 "AN ACT TO LEVY AN ADDITIONAL SEVERANCE TAX UPON NATURAL  
13 GAS."

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

18 *SECTION 1. In addition to the severance tax levied by Arkansas Code §*  
19 *26-58-107, there is levied an additional severance tax on natural gas in the*  
20 *amount of four and seven-tenths percent (4.7%) of the market value of the*  
21 *natural gas or 4.7 cents per one thousand cubic feet (1,000 cu. ft.),*  
22 *whichever is greater. The additional tax levied by this act shall be reported*  
23 *and paid in the same manner prescribed by Arkansas Code §§ 26-58-101 et seq.*

25 *SECTION 2. Notwithstanding the provisions of Arkansas Code § 26-58-114*  
26 *and § 26-58-116, either the producer or severer of natural resources or the*  
27 *purchaser thereof shall report and pay severance taxes thereon as required in*  
28 *§ 26-58-114 and § 26-58-116. However, if either the producer or the purchaser*  
29 *files such report and pays the taxes during any month, the other shall be*  
30 *relieved of the responsibility of filing such report.*

32 *SECTION 3. (a) This severance tax shall be collected from the purchaser*  
33 *and not withheld out of the proceeds due the owners of the natural resources*  
34 *from the sale of the products severed.*

35 *(b) All taxes, penalties, and costs collected by the director under the*

1 provisions of this act shall be deposited in the State Treasury to the credit  
2 of the State Apportionment Fund.

3 (c) The State Treasurer, on or before the fifth of the month next  
4 following the month during which such funds shall have been received by him,  
5 shall allocate the funds in the following manner:

6 (1) Three percent (3%) of the amount thereof shall be exempt from  
7 the provisions of Arkansas Code § 19-5-203 and that three percent (3%) shall  
8 be deducted and credited to the State Central Services Fund as a direct  
9 revenue to be used by the Department of Finance and Administration for  
10 administering the provisions of this act; and

11 (2) Thirty-six percent (36%) of the amount thereof deposited in  
12 the General Revenue Fund Account; and

13 (3) Forty-eight and one-half percent (48.5%) of the amount  
14 thereof shall be special revenues and shall be credited to the Arkansas  
15 Alternative Fuels Revolving Loan Fund; and

16 (4) Twelve and one-half percent (12.5%) of the amount thereof  
17 shall be special revenues and shall be credited to the County Aid Fund.

18 (d) (1) On or before the tenth of the month following the end of each  
19 calendar quarter, the Treasurer of State shall remit by state warrants to the  
20 various county treasurers all such funds received by him during such quarterly  
21 period and transferred to the County Aid Fund in the proportions thereof as  
22 between the respective counties, that as certified by the director to the  
23 Treasurer of State, the total severance tax produced from each such county  
24 bears to the total such taxes produced from all counties.

25 (2) Upon receipt of any such taxes, any county treasurer shall  
26 credit fifty percent (50%) of that amount to the county public fund and fifty  
27 percent (50%) of that amount to the county highway fund, to be used for the  
28 same purposes as other moneys credited to the respective funds.

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

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34 SECTION 5. If any provisions of this act or the application thereof to  
35 any person or circumstance is held invalid, the invalidity shall not affect

1 other provisions or applications of the act which can be given effect without  
2 the invalid provisions or application, and to this end the provisions of this  
3 act are declared to be severable.

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

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10 /s/P. Flanagan

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***As Engrossed: 3/16/93***

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