

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

**H.R.**

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7 **HOUSE RESOLUTION**

8 REQUESTING THE JOINT INTERIM COMMITTEE ON REVENUE AND  
9 TAXATION TO STUDY THE ARKANSAS GROSS RECEIPTS TAX TO  
10 EVALUATE THE VARIOUS TAX POLICY AND TAX EQUITY ASPECTS OF  
11 THE TAX, THE TAX BASE, AND THE EXEMPTIONS FROM THE TAX.  
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13 **Subtitle**

14 REQUESTING A STUDY OF THE ARKANSAS GROSS RECEIPTS TAX, THE  
15 TAX BASE, AND TAX EXEMPTIONS.  
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17 WHEREAS, the Arkansas Gross Receipts Tax was first levied by Act 386 of  
18 1941 on the gross proceeds or gross receipts derived from the sales of various  
19 tangible personal property and services in Arkansas; and  
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21 WHEREAS, the Arkansas Gross Receipts Tax was originally levied at three  
22 percent (3%) and has increased over the years to four and one-half percent  
23 (4.5%) and has raised over nine million dollars (\$9,000,000) in fiscal year  
24 1992; and  
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26 WHEREAS, the Arkansas Gross Receipts and Compensating Use Taxes make-up  
27 the single largest element of the general revenue tax base for the Arkansas  
28 state government; and  
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30 WHEREAS, the Arkansas Gross Receipts Tax law does not tax various kinds  
31 of services, does extend to a multitude of products and specific sales  
32 transactions, and, over the years, forty-eight (48) specific types of  
33 specialized and enumerated tax exemptions have been granted; and  
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35 WHEREAS, the gross receipts and sales taxes are generally recognized as

1 being a regressive-form of taxation and with an ever-increasing number of  
2 exemptions, the Arkansas sales tax base becomes more-and-more narrow and more  
3 regressive,

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5 NOW THEREFORE,

6 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE SEVENTY-NINTH GENERAL  
7 ASSEMBLY OF THE STATE OF ARKANSAS:

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9        THAT the House of Representatives of the Seventy-Ninth General Assembly  
10 of the State of Arkansas respectfully requests the Joint Interim Committee on  
11 Revenue and Taxation to study the tax policy and tax equity aspects of the  
12 Arkansas Gross Receipts Tax, the revenue base for the tax, and the many varied  
13 exemptions to the tax to determine if the tax base should be expanded and  
14 exemptions should be removed or modified.

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