

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

# A Bill

**SENATE BILL**

## For An Act To Be Entitled

8 "AN ACT TO LEVY AN ADDITIONAL ONE PERCENT SALES AND USE  
9 TAX; TO EXEMPT FOOD FROM ALL STATE GROSS RECEIPTS TAXES  
10 AND COMPENSATING USE TAXES; AND FOR OTHER PURPOSES."

## Subtitle

13 "AN ACT TO LEVY AN ADDITIONAL ONE PERCENT SALES AND USE  
14 TAX; TO EXEMPT FOOD FROM ALL STATE GROSS RECEIPTS TAXES  
15 AND COMPENSATING USE TAXES."

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

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19 SECTION 1. In addition to all state and local sales taxes now levied,  
20 there is hereby levied an excise tax of one percent (1%) upon all taxable  
21 sales of property and services subject to the tax levied by the Arkansas Gross  
22 Receipts Act, A.C.A. §26-52-101 et seq., except food as defined in Section 3  
23 hereof, and such tax shall be collected, reported, and paid in the same manner  
24 and at the same time as is prescribed by law for the collection, reporting and  
25 payment of gross receipts taxes levied by the Arkansas Gross Receipts Act.

26  
27 SECTION 2. In addition to all state and local use taxes now levied there  
28 is hereby levied an excise tax of one percent (1%) upon the privilege of  
29 storing, using, distributing or consuming within this state tangible personal  
30 property subject to the tax levied by the Arkansas Compensating Tax Act,  
31 A.C.A. §26-53-101 et seq., except food as defined in Section 3 hereof, and  
32 such tax shall be collected, reported, and paid in the same manner and at the  
33 same time as is prescribed by law for the collection, reporting and payment of  
34 use taxes levied by the Arkansas Compensating Tax Act.

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1       SECTION 3. For purposes of this act, the word "food" means food which  
2 is eligible for purchase with food stamps or food coupons issued in accordance  
3 with the Food Stamp Act of 1964, as amended and in effect on January 1, 1993,  
4 and all such food, regardless of whether it is purchased with food stamps or  
5 food coupons, shall be exempt from the additional tax levied in this act, and  
6 such food shall be exempt from all state gross receipts taxes and compensating  
7 taxes.

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9       SECTION 4. Notwithstanding any law to the contrary, the provisions of  
10 this act exempting food from the gross receipts tax and the compensating use  
11 tax levied by the state shall in no way affect any local sales and use taxes  
12 levied by counties or municipalities in this state and food shall continue to  
13 be subject to such local taxes.

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15       SECTION 5. The provisions of this act shall be implemented and the  
16 additional tax levied herein shall be applicable on and after March 1, 1993.

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

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

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

30       SECTION 9. EMERGENCY. It is hereby found and determined by the General  
31 Assembly that the state is in immediate need of additional revenues to address  
32 the medicaid funding crisis; that this act generates those revenues; and that  
33 this act should go into effect immediately in order to provide additional  
34 funding to the medicaid program as soon as possible. Therefore, an emergency  
35 is hereby declared to exist and this act being necessary for the preservation

1 of the public peace, health and safety shall be in full force and effect from  
2 and after its passage and approval.