

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

A Bill

HOUSE BILL 2799

5 By: Representative Jackson
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For An Act To Be Entitled

9 AN ACT TO AUTHORIZE A MUNICIPALITY LEVYING A TWO
10 PERCENT (2%) HOTEL AND RESTAURANT TAX TO LEVY AN
11 ADDITIONAL ONE PERCENT (1%) TAX ON HOTEL AND
12 RESTAURANT SALES FOR CAPITAL IMPROVEMENTS FOR A
13 PERIOD OF TIME UP TO SIXTY (60) MONTHS; AND FOR
14 OTHER PURPOSES.

Subtitle

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16 TO AUTHORIZE A MUNICIPALITY LEVYING A
17 TWO PERCENT (2%) HOTEL AND RESTAURANT
18 TAX TO LEVY AN ADDITIONAL TEMPORARY ONE
19 PERCENT (1%) TAX ON HOTEL AND RESTAURANT
20 SALES FOR CAPITAL IMPROVEMENTS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code Title 26, Chapter 75, Subchapter 7 is amended
27 to add an additional section to read as follows:

28 26-75-706. Municipal gross receipts tax on hotels and restaurants for
29 infrastructure.

30 (a)(1) In lieu of levying a tax for capital improvements to be pledged
31 to repay bonds, a municipality may levy a tax under this section for up to
32 sixty (60) months for capital improvements for the city.

33 (2) Any city that levies a two percent (2%) gross receipts tax
34 on hotels, motels, and restaurants as authorized in §§ 26-75-701 through 26-
35 75-705 may levy by ordinance of the governing body of the city an additional
36 like tax of one percent (1%), or at a lesser rate, upon the furnishing of



1 hotel and motel accommodations, the admission price to tourist attractions as
 2 defined in § 26-52-1001, the gross receipts of gift shops referred to in §
 3 26-75-701, restaurants, and similar establishments located within the
 4 boundaries of the levying municipality.

5 (b)(1) When any city levies the tax authorized in this section, the
 6 tax so levied shall be paid by the persons, firms, and corporations that are
 7 liable the tax and shall be collected by the levying municipality in the same
 8 manner and at the same time as the gross receipts tax levied by Arkansas
 9 Gross Receipts Act.

10 (2)(A) The governing body of the municipality levying this tax
 11 shall collect it in the same manner as the two percent (2%) tax being levied.

12 (B) The revenues derived from this tax shall be deposited
 13 in a special account of the city treasury and the proceeds from this tax
 14 shall be used to finance capital improvements of the city.

15 (c) When any city levies a tax as authorized in this section, the tax
 16 shall be reported and remitted in the manner and on forms prescribed by the
 17 city, and the provisions of the Arkansas Gross Receipts Act, relating to
 18 rules, regulations, forms of notice, assessment procedures, and the
 19 enforcement and collection of the Arkansas gross receipts tax shall be
 20 applicable with respect to the enforcement and collection of any tax levied
 21 under this section, so far as practicable.

22 (d)(1) The tax under this section shall not be levied for more than a
 23 sixty-month period and use all or a portion of the proceeds of the tax to
 24 finance capital improvements for the city.

25 (2) This section is intended to supplement all other laws which
 26 are designed to finance capital improvements for municipal governments and,
 27 when applicable in accordance with the provisions of this section, may be
 28 used by a municipality as an alternative to bond financing for capital
 29 improvements.

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