

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

A Bill

HOUSE BILL 2861

4
5 By: Representative Ledbetter
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For An Act To Be Entitled

8
9 AN ACT TO INCREASE THE RATE OF TAXATION ON THE
10 COMPONENTS OF BROMINE PRODUCTION; AND FOR OTHER
11 PURPOSES.
12

Subtitle

13
14 AN ACT TO INCREASE THE RATE OF TAXATION
15 ON THE COMPONENTS OF BROMINE PRODUCTION.
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Arkansas Code 26-58-111(9), concerning the severance tax on
21 components of bromine production, is amended to read as follows:

22 (9) On salt water whose naturally dissolved components, or solutes,
23 are used as source raw materials for bromine and other products derived from
24 the same salt water used in the bromine production, ~~two dollars and forty-~~
25 ~~five cents (\$2.45)~~ ten dollars and fifty cents (\$10.50) per thousand barrels
26 (42,000 U.S. gallons);
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28 SECTION 2. (a) The additional severance tax levied by this act in the
29 amount of eight dollars and five cents (\$8.05) per thousand (1,000) barrels
30 of bromine produced in this state shall be deposited as special revenues into
31 the Public School Fund to be used to help fund public school teachers
32 salaries.

33 (b)(1)(A) Within thirty (30) days after the effective date of this act
34 the director shall increase the severance tax levied under subsection (a) of
35 this section and Arkansas Code § 26-58-111(9) by the cost-of-living
36 adjustment for the 2003 calendar year rounding each amount to the nearest



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1 dollar (\$1.00).

2 (B) Not later than December 15, 2003, and of each
3 subsequent calendar year, the director shall increase the severance taxes by
4 the cost-of-living adjustment for the next calendar year rounding each amount
5 to the nearest dollar (\$1.00).

6 (C) The annual cost-of-living adjustment shall apply to
7 the severance tax as contained in subsection (a) of this section and Arkansas
8 Code § 26-58-111(9).

9 (2)(A) For purposes of subsection (a) of this section and
10 Arkansas Code § 26-58-111(9), the cost-of-living adjustment for any calendar
11 year is the percentage, if any, by which the Consumer Price Index for the
12 calendar year preceding the taxable year exceeds the Consumer Price Index for
13 the calendar year 2002.

14 (B) The Consumer Price Index for any calendar year is the
15 average of the Consumer Price Index as of the close of the twelve-month
16 period ending on August 31 of the calendar year.

17 (C) "Consumer Price Index" means the last Consumer Price
18 Index for all urban consumers published by the Department of Labor.

19 (3) The adjusted credit amounts shall apply for tax years
20 beginning on and after January 1, 2003.

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