

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

SENATE BILL 844

4
5 By: Senator Broadway
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For An Act To Be Entitled

8
9 AN ACT TO PROVIDE FOR THE LEVY OF A TEMPORARY
10 ADDITIONAL SALES AND USE TAX DURING IF A FISCAL
11 EMERGENCY IS DECLARED; AND FOR OTHER PURPOSES.
12

Subtitle

13
14 AN ACT TO PROVIDE FOR THE LEVY OF A
15 TEMPORARY ADDITIONAL SALES AND USE TAX
16 DURING IF A FISCAL EMERGENCY IS
17 DECLARED.
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19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 26-52-302, concerning tax levied under the
23 Arkansas Gross Receipts Tax Act of 1941, is amended to add an additional
24 subsection to read as follows:

25 (d)(1) If the annual net general revenue at the end of any fiscal year
26 is less than the annual net general revenue from the previous fiscal year and
27 the amount of the decrease in annual net general revenue is more than fifty
28 million dollars (\$50,000,000), the Director of the Department of Finance and
29 Administration shall declare a fiscal emergency.

30 (2) If a fiscal emergency is declared under subdivision (d)(1)
31 there shall be levied an additional excise tax upon all taxable sales of
32 property and services subject to the tax levied by the Arkansas Gross
33 Receipts Act of 1941, § 26-52-101 et seq.

34 (3) The additional excise tax shall be as follows:

35 (A) If the amount of the decrease in annual net general
36 revenue is more than fifty million dollars (\$50,000,000) but not more than



1 one hundred million dollars (\$100,000,000), an additional one-quarter percent
 2 (1/4%) excise tax shall be levied.

3 (B) If the amount of the decrease in annual net general
 4 revenue is more than one hundred million dollars (\$100,000,000) but not more
 5 than two hundred million dollars (\$200,000,000), an additional one-half
 6 percent (1/2%) excise tax shall be levied.

7 (C) If the amount of the decrease in annual net general
 8 revenue is more than two hundred million dollars (\$200,000,000) but not more
 9 than three hundred million dollars (\$300,000,000), an additional three-
 10 quarter percent (3/4%) excise tax shall be levied.

11 (D) If the amount of the decrease in annual net general
 12 revenue is more than three hundred million dollars (\$300,000,000), an
 13 additional one percent (1%) excise tax shall be levied.

14 (4) The excise tax shall become effective on October 1 and shall
 15 expire after one (1) year.

16 (5) The tax shall be collected, reported, and paid in the same
 17 manner and at the same time as is prescribed by the Arkansas Gross Receipts
 18 Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment
 19 of Arkansas gross receipts taxes.

20 (6) For purposes of this subsection (d):

21 (A) "Annual net general revenue" means gross general
 22 revenue collections within a fiscal year less any claims and taxes
 23 erroneously paid, uncollected checks, and warrants.

24 (B) "Annual net general revenue" does not include revenue
 25 generated by this subsection (d).

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 27 SECTION 2. Arkansas Code § 26-53-107, concerning tax under the
 28 Arkansas Compensating Tax Act of 1949, is amended to add an additional
 29 subsection to read as follows:

30 (d)(1) If the annual net general revenue at the end of any fiscal year
 31 is less than the annual net general revenue from the previous fiscal year and
 32 the amount of the decrease in annual net general revenue is more than fifty
 33 million dollars (\$50,000,000), the Director of the Department of Finance and
 34 Administration shall declare a fiscal emergency.

35 (2) If a fiscal emergency is declared under subdivision (d)(1)
 36 there shall be levied an additional excise tax upon all tangible personal

1 property subject to the tax levied by the Arkansas Compensating Tax Act of
 2 1949, § 26-53-101 et seq.

3 (3) The additional excise tax shall be as follows:

4 (A) If the amount of the decrease in annual net general
 5 revenue is more than fifty million dollars (\$50,000,000) but not more than
 6 one hundred million dollars (\$100,000,000), an additional one-quarter percent
 7 (1/4%) excise tax shall be levied.

8 (B) If the amount of the decrease in annual net general
 9 revenue is more than one hundred million dollars (\$100,000,000) but not more
 10 than two hundred million dollars (\$200,000,000), an additional one-half
 11 percent (1/2%) excise tax shall be levied.

12 (C) If the amount of the decrease in annual net general
 13 revenue is more than two hundred million dollars (\$200,000,000) but not more
 14 than three hundred million dollars (\$300,000,000), an additional three-
 15 quarter percent (3/4%) excise tax shall be levied.

16 (D) If the amount of the decrease in annual net general
 17 revenue is more than three hundred million dollars (\$300,000,000), an
 18 additional one percent (1%) excise tax shall be levied.

19 (4) The excise tax shall become effective on October 1 and shall
 20 expire after one (1) year.

21 (5) The tax shall be collected, reported, and paid in the same
 22 manner and at the same time as is prescribed by the Arkansas Gross Receipts
 23 Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment
 24 of Arkansas gross receipts taxes.

25 (6) For purposes of this subsection (d):

26 (A) "Annual net general revenue" means gross general
 27 revenue collections within a fiscal year less any claims and taxes
 28 erroneously paid, uncollected checks, and warrants.

29 (B) "Annual net general revenue" does not include revenue
 30 generated by this subsection (d).

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 32 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 33 General Assembly of the State of Arkansas that the state needs a mechanism to
 34 automatically respond to fiscal emergencies that threaten to eliminate or
 35 reduce state services; that revenue available for the support of necessary
 36 state services has declined as a result of the nationwide economic slow down;

1 and that this act is immediately necessary in order to respond to fiscal
2 emergencies. Therefore, an emergency is declared to exist and this act being
3 immediately necessary for the preservation of the public peace, health, and
4 safety shall become effective on:

5 (1) The date of its approval by the Governor;

6 (2) If the bill is neither approved nor vetoed by the Governor,
7 the expiration of the period of time during which the Governor may veto the
8 bill; or

9 (3) If the bill is vetoed by the Governor and the veto is
10 overridden, the date the last house overrides the veto.

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