

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

Call Item 17

A Bill

SENATE BILL 40

5 By: Senator J. Bookout
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For An Act To Be Entitled

9 AN ACT TO LEVY AN ADDITIONAL GROSS RECEIPTS TAX
10 AND COMPENSATING USE TAX ON THE GROSS RECEIPTS
11 DERIVED FROM SHORT TERM RENTAL OF VIDEO GAMES AND
12 GAMING EQUIPMENT, PRERECORDED VHS VIDEO
13 CASSETTES, PRERECORDED DIGITAL VIDEO DISCS OR
14 OTHER PRERECORDED VIDEO MEDIUM; TO PROVIDE THAT
15 THE NET REVENUES DERIVED FROM THE TAX LEVIED
16 HEREIN SHALL BE USED EXCLUSIVELY FOR MEDICAID
17 MATCH FOR PERSONAL CARE AND ELDERCHOICES SERVICES
18 FOR HOMEMAKER, RESPITE, AND CHORE SERVICES; AND
19 FOR OTHER PURPOSES.
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Subtitle

21 TO LEVY AN ADDITIONAL TAX ON SHORT TERM
22 RENTAL OF VIDEO GAMES AND GAMING
23 EQUIPMENT, PRERECORDED VHS VIDEO
24 CASSETTES, PRERECORDED DIGITAL VIDEO
25 DISCS OR OTHER PRERECORDED VIDEO MEDIUM.
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29 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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31 SECTION 1. In addition to the gross receipts tax and the compensating
32 use tax now levied, there is levied a gross receipts tax and a compensating
33 use tax of five percent (5%) upon the gross receipts derived from the short
34 term rental of video games and gaming equipment, prerecorded VHS video
35 cassettes, prerecorded digital video discs, or other prerecorded video
36 medium.



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SECTION 2. The additional tax levied by this act shall be computed, collected, and remitted in the same manner and at the same time as is provided by law for other gross receipts taxes and compensating use taxes.

SECTION 3. The net revenues derived from the additional taxes levied in this act shall be used exclusively for Medicaid matching funds for Personal Care and ElderChoices services for homemaker, respite care, and chore services.

SECTION 4. The taxes levied in this act shall be in effect on and after the first day of the second calendar month after the calendar month in which this act becomes effective.

SECTION 5. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the state is experiencing budgetary hardships due to a decline in revenues of the state; that unless new revenues are provided for Medicaid matching funds for Personal Care and ElderChoices services for homemaker, respite care, and chore services, federal Medicaid matching funds may be lost, and that this act is immediately necessary to ensure that such matching funds will not be lost and those services curtailed. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

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

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