1	State of Arkansas		Item 6
2	84th General Assembly	A Bill	
3	Second Extraordinary Session, 2003 HOUSE BIL		1026
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5	By: Representative Napper		
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7			
8	For An Act To Be Entitled		
9	AN ACT TO LEVY AN ADDITIONAL EXCISE TAX OF ONE		
10		(1%) UPON ALL TAXABLE SALES OF PROPERTY	
11		VICES SUBJECT TO THE TAX LEVIED BY THE	
12		S GROSS RECEIPTS TAX ACT AND UPON ALL	
13		E PERSONAL PROPERTY SUBJECT TO THE TAX	
14		BY THE ARKANSAS COMPENSATING TAX ACT; TO	
15		THE EDUCATIONAL ADEQUACY TRUST FUND; AND	
16	FOR OTH	ER PURPOSES.	
17		Subtitle	
18	1 1777		
19 20		ES AN ADDITIONAL 1% SALES AND USE	
20 21		AND CREATES THE EDUCATIONAL ADEQUACY T FUND.	
22	IKUS	I FUND.	
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24	BF TT FNACTFD BV THF (GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
25	DE II ENACIED DI INE (PENEMAL ASSEMBLI OF THE STATE OF ARRANSAS.	
26	SECTION 1. Arka	ansas Code § 26-52-302 is amended as follows:	
27	26-52-302. Add:	itional taxes levied.	
28	(a) In addition	n to the excise tax levied upon the gross proceeds or	r
29	gross receipts derived	d from all sales by the Arkansas Gross Receipts Act,	§
30	26-52-101 et seq., the	ere is levied an excise tax of one percent (1%) upon	all
31	taxable sales of prope	erty and services subject to the tax levied in that a	act.
32	This tax shall be coll	lected, reported, and paid in the same manner and at	the
33	same time as is presc	ribed by law for the collection, reporting, and payme	ent
34	of all other Arkansas	gross receipts taxes. In computing gross receipts of	r
35	gross proceeds as defined in § 26-52-103(a)(4), a deduction shall be allowed		
36	for bad debts resulting	ng from the sale of tangible personal property.	



1 (b) In addition to the excise tax levied upon the gross proceeds or 2 gross receipts derived from all sales by the Arkansas Gross Receipts Act, § 26-52-101 et seq., there is hereby levied an excise tax of one-half of one 3 4 percent (0.5%) upon all taxable sales of property and services subject to the 5 tax levied in that act, and such tax shall be collected, reported, and paid 6 in the same manner and at the same time as is prescribed by law for the 7 collection, reporting, and payment of all other Arkansas gross receipts 8 taxes. Provided that, in computing gross receipts or gross proceeds as 9 defined in § 26-52-103(a)(4), a deduction shall be allowed for bad debts 10 resulting from the sale of tangible personal property.

11 (c)(1) Beginning January 1, 2001, there is hereby levied an additional 12 excise tax of one-half of one percent (0.5%) upon all taxable sales of 13 property and services subject to the tax levied by the Arkansas Gross 14 Receipts Act of 1941, § 26-52-101 et seq.

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

19 (d)(1) Beginning March 1, 2004, there is levied an additional excise 20 tax of one percent (1%) upon all taxable sales of property and services 21 subject to the tax levied by the Arkansas Gross Receipts Act of 1941, § 26-22 52-101 et seq.

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

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28 SECTION 2. Arkansas Code § 26-52-311(b)(1), pertaining to the rental 29 vehicle tax, is amended to read as follows:

30 (b)(1) In addition to the rate in subsection (c) of this section, the 31 rental vehicle tax shall be levied at the same rate as the combined gross 32 receipts taxes levied by §§ 26-52-301 and 26-52-302 and any act supplemental 33 thereto rate of four and one-half percent (4.5%) and the rate of any 34 applicable municipal or county taxes. 35

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SECTION 3. Arkansas Code § 26-53-107 is amended to read as follows:

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26-53-107. Additional taxes levied. [Effective when contingency in Acts
 2003, No. 1273, § 88 is met.]

3 (a) In addition to the excise tax levied upon the privilege of 4 storing, using, distributing, or consuming tangible personal property and 5 taxable services within this state by the Arkansas Compensating Tax Act of 6 1949, § 26-53-101 et seq., there is levied an excise tax of one percent (1%)7 upon all tangible personal property and taxable services subject to the tax 8 levied in that act, and the tax shall be collected, reported, and paid in the 9 same manner and at the same time as is prescribed by law for the collection, 10 reporting, and payment of state compensating taxes.

11 (b) In addition to the excise tax levied upon the privilege of 12 storing, using, distributing, or consuming tangible personal property and taxable services within the state by the Arkansas Compensating Tax Act of 13 14 1949, § 26-53-101 et seq., there is hereby levied an excise tax of one-half 15 of one percent (0.5%) upon all tangible personal property and taxable 16 services subject to the tax levied in that act, and the tax shall be collected, reported, and paid in the same manner and at the same time as is 17 18 prescribed by law for the collection, reporting, and payment of Arkansas 19 compensating taxes.

(c)(1) Beginning January 1, 2001, there is hereby levied an additional
excise tax of one-half of one percent (0.5%) upon all tangible personal
property and taxable services subject to the tax levied by the Arkansas
Compensating Tax Act of 1949, § 26-53-101 et seq.

(2) The tax shall be collected, reported, and paid in the same
manner and at the same time as is prescribed by the Arkansas Compensating Tax
Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
of Arkansas compensating taxes.

(d)(1) Beginning March 1, 2004, there is levied an additional excise
 tax of one percent (1%) upon all tangible personal property subject to the
 tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.
 (2) The tax shall be collected, reported, and paid in the same
 manner and at the same time as is prescribed by the Arkansas Compensating Tax
 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
 of Arkansas compensating taxes.

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SECTION 4. Arkansas Code § 26-53-107 is amended as follows:

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26-53-107. Additional taxes levied. [Effective until contingency in
 Acts 2003, No. 1273, § 88 is met.]

3 (a) In addition to the excise tax levied upon the privilege of 4 storing, using, distributing, or consuming tangible personal property within 5 this state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there 6 is levied an excise tax of one percent (1%) upon all tangible personal 7 property subject to the tax levied in that act, and the tax shall be 8 collected, reported, and paid in the same manner and at the same time as is 9 prescribed by law for the collection, reporting, and payment of state 10 compensating taxes.

11 (b) In addition to the excise tax levied upon the privilege of 12 storing, using, distributing, or consuming tangible personal property within the state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is 13 14 hereby levied an excise tax of one-half of one percent (0.5%) upon all 15 tangible personal property subject to the tax levied in that act, and such 16 tax shall be collected, reported, and paid in the same manner and at the same 17 time as is prescribed by law for the collection, reporting, and payment of 18 Arkansas compensating taxes.

19 (c)(1) Beginning January 1, 2001, there is hereby levied an additional 20 excise tax of one-half of one percent (0.5%) upon all tangible personal 21 property subject to the tax levied by the Arkansas Compensating Tax Act of 22 1949, § 26-53-101 et seq.

(2) The tax shall be collected, reported, and paid in the same
manner and at the same time as is prescribed by the Arkansas Compensating Tax
Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
of Arkansas compensating taxes.

27 (d)(1) Beginning March 1, 2004, there is hereby levied an additional 28 excise tax of one percent (1%) upon all tangible personal property subject to 29 the tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et 30 seq.

31 (2) The tax shall be collected, reported, and paid in the same 32 manner and at the same time as is prescribed by the Arkansas Compensating Tax 33 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment 34 of Arkansas compensating taxes. 35

36 SECTION

SECTION 5. <u>Educational Adequacy Trust Fund</u>.

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1	(a) There is hereby created on the books of the Treasurer of State,		
2	the Auditor of State, and Chief Fiscal Officer of the State a special revenue		
3	fund to be known as the Educational Adequacy Trust Fund.		
4	(b) The fund shall consist of the revenues generated by Arkansas Code		
5	<u>§§ 26-52-302(d) and 26-53-107(d).</u>		
6	(c) On the last day of the month, the Treasurer of State shall		
7	transfer amounts available in the Educational Adequacy Trust Fund to the		
8	Department of Education Public School Fund Account established in Arkansas		
9	Code § 19-5-305, to be used for the purposes as provided by law. The		
10	Treasurer of State shall make the transfer after making the deductions		
11	required from the net special revenues as set out in Arkansas Code § 19-5-		
12	<u>203(b)(2)(A).</u>		
13			
14	SECTION 6. Arkansas Code § 6-5-301(a) is amended to read as follows:		
15	(a)(l) There is hereby established on the books of the Treasurer of		
16	State, the Auditor of State, and the Chief Fiscal Officer of the State a fund		
17	to be known as the "Educational Excellence Trust Fund".		
18	(2) For each of the State's fiscal years, the Chief Fiscal		
19	Officer of the State shall determine as an annual allocation for this fund an		
20	amount based on the total net general revenues as enumerated in § 19-6-201(1)		
21	and (2) state sales and use tax levied pursuant to §§ 26-52-301, 26-52-302(a)		
22	and (b), 26-53-106, and 26-53-107 (a) and (b), which were collected in the		
23	immediate past year, times a factor of 0.1414.		
24			
25	SECTION 7. EMERGENCY CLAUSE. It is found and determined by the		
26	General Assembly that the provision of an equal opportunity for an adequate		
27	education to all the citizens of the state is imperative; that additional		
28	funds are immediately needed to provide an equal opportunity for an adequate		
29	education; that this act is designed to provide the additional revenues		
30	needed to provide this equal opportunity to all citizens; and that a delay in		
31	the effective date of this act will cause irreparable harm upon the provision		
32	of essential education opportunities and the proper administration of		
33	educational programs. Therefore, an emergency is declared to exist and this		
34	act being immediately necessary for the preservation of the public peace,		
35	health, and safety shall be in full force and effect on March 1, 2004.		
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