

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

As Engrossed: H12/11/03
A Bill

Call Item 6

HOUSE BILL 1026

5 By: Representative Napper
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7

For An Act To Be Entitled

9 AN ACT TO LEVY AN ADDITIONAL EXCISE TAX OF ONE
10 PERCENT (1%) UPON ALL TAXABLE SALES OF PROPERTY
11 AND SERVICES SUBJECT TO THE TAX LEVIED BY THE
12 ARKANSAS GROSS RECEIPTS TAX ACT AND UPON ALL
13 TANGIBLE PERSONAL PROPERTY SUBJECT TO THE TAX
14 LEVIED BY THE ARKANSAS COMPENSATING TAX ACT; TO
15 CREATE THE EDUCATIONAL ADEQUACY TRUST FUND; AND
16 FOR OTHER PURPOSES.

Subtitle

18
19 LEVIES AN ADDITIONAL 1% SALES AND USE
20 TAX AND CREATES THE EDUCATIONAL ADEQUACY
21 TRUST FUND.
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code § 26-52-302 is amended as follows:

27 26-52-302. Additional taxes levied.

28 (a) In addition to the excise tax levied upon the gross proceeds or
29 gross receipts derived from all sales by the Arkansas Gross Receipts Act, §
30 26-52-101 et seq., there is levied an excise tax of one percent (1%) upon all
31 taxable sales of property and services subject to the tax levied in that act.
32 This tax shall be collected, reported, and paid in the same manner and at the
33 same time as is prescribed by law for the collection, reporting, and payment
34 of all other Arkansas gross receipts taxes. In computing gross receipts or
35 gross proceeds as defined in § 26-52-103(a)(4), a deduction shall be allowed
36 for bad debts resulting 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, §
3 26-52-101 et seq., there is hereby levied an excise tax of one-half of one
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 five percent (5%) and the rate of any applicable municipal or
34 county taxes.

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

1 26-53-107. Additional taxes levied. [Effective when contingency in Acts
2 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
13 taxable services within the state by the Arkansas Compensating Tax Act of
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
17 collected, reported, and paid in the same manner and at the same time as is
18 prescribed by law for the collection, reporting, and payment of Arkansas
19 compensating taxes.

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

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

28 (d)(1) Beginning March 1, 2004, there is levied an additional excise
29 tax of one percent (1%) upon all tangible personal property subject to the
30 tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et 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 4. Arkansas Code § 26-53-107 is amended as follows:

1 26-53-107. Additional taxes levied. [Effective until contingency in
2 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
13 the state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is
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.

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 Compensating Tax
25 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
26 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.

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36 SECTION 5. Educational Adequacy Trust Fund.

