1	State of Arkansas	As Engrossed: H12/11/03	Call Item 6		
2	84th General Assembly A B1II				
3	Second Extraordinary Sessio	on, 2003	HOUSE BILL	1026	
4					
5	By: Representative Napper				
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8	For An Act To Be Entitled				
9		TO LEVY AN ADDITIONAL EXCISE TAX OF (
10		I (1%) UPON ALL TAXABLE SALES OF PROPH			
11		RVICES SUBJECT TO THE TAX LEVIED BY TH			
12		AS GROSS RECEIPTS TAX ACT AND UPON ALI			
13		LE PERSONAL PROPERTY SUBJECT TO THE TA			
14	LEVIED	BY THE ARKANSAS COMPENSATING TAX ACT;	; TO		
15	CREATE	THE EDUCATIONAL ADEQUACY TRUST FUND;	AND		
16	FOR OTI	HER PURPOSES.			
17					
18		Subtitle			
19	LEV	IES AN ADDITIONAL 1% SALES AND USE			
20	TAX	AND CREATES THE EDUCATIONAL ADEQUACY			
21	TRUS	ST FUND.			
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23					
24	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARKA	NSAS:		
25					
26	SECTION 1. Ark	ansas Code § 26-52-302 is amended as	follows:		
27	26-52-302. Add	itional taxes levied.			
28	(a) In additio	on to the excise tax levied upon the g	ross proceeds o	r	
29	gross receipts derive	d from all sales by the Arkansas Gros	s Receipts Act,	§	
30	26-52-101 et seq., th	ere is levied an excise tax of one pe	rcent (1%) upon	all	
31	taxable sales of prop	erty and services subject to the tax	levied in that	act.	
32	This tax shall be col	lected, reported, and paid in the sam	e manner and at	the	
33	same time as is preso	ribed by law for the collection, repo	rting, and paym	ent	
34	_	gross receipts taxes. In computing g			
35		ined in § 26-52-103(a)(4), a deductio	-		
36	for bad debts resulti	ng from the sale of tangible personal	property.		



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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 property and services subject to the tax levied by the Arkansas Gross 13 Receipts Act of 1941, § 26-52-101 et seq. 14 (2) The tax shall be collected, reported, and paid in the same 15 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 of Arkansas gross receipts taxes. 18 19 (d)(1) Beginning March 1, 2004, there is levied an additional excise tax of one percent (1%) upon all taxable sales of property and services 20 subject to the tax levied by the Arkansas Gross Receipts Act of 1941, § 26-21 22 52-10<u>1 et seq</u>. 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 Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment 25 26 of Arkansas gross receipts taxes. 27 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 rental vehicle tax shall be levied at the same rate as the combined gross 31

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

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

(a) In addition to the excise tax levied upon the privilege of 3 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, reporting, and payment of state compensating taxes. 10

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 17 collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of Arkansas 18 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:

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

(a) In addition to the excise tax levied upon the privilege of 3 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 hereby levied an excise tax of one-half of one percent (0.5%) upon all 14 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 Arkansas compensating taxes. 18

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

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SECTION 5. Educational Adequacy Trust Fund.

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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>
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14	SECTION 6. EMERGENCY CLAUSE. It is found and determined by the
15	General Assembly that the provision of an equal opportunity for an adequate
16	education to all the citizens of the state is imperative; that additional
17	funds are immediately needed to provide an equal opportunity for an adequate
18	education; that this act is designed to provide the additional revenues
19	needed to provide this equal opportunity to all citizens; and that a delay in
20	the effective date of this act will cause irreparable harm upon the provision
21	of essential education opportunities and the proper administration of
22	educational programs. Therefore, an emergency is declared to exist and this
23	act being immediately necessary for the preservation of the public peace,
24	health, and safety shall be in full force and effect on March 1, 2004.
25	/s/ Napper
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