1	State of Arkansas	As Engrossed: H12/11/03 H12/22/03 $ m A~Bill$	Call	Call Item 6	
2	84th General Assembly				
3	Second Extraordinary Session, 2003 HOUSE BILL 1026				
4 5	By: Representative Napper				
6	by. Representative Napper				
7					
8	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 OT	HER PURPOSES.			
17					
18		Subtitle			
19	LEV	IES AN ADDITIONAL 1% SALES AND USE			
20	TAX AND CREATES THE EDUCATIONAL ADEQUACY				
21	TRU	ST FUND.			
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23					
24	BE IT ENACTED BY THE	GENERAL ASSEMBLY OF THE STATE OF ARK	ANSAS:		
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26	SECTION 1. Ark	cansas Code § 26-52-302 is amended as	follows:		
27	26-52-302. Additional taxes levied.				
28	(a) In addition	on to the excise tax levied upon the	gross proceeds o	r	
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 result:	ing 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
 - (c)(1) Beginning January 1, 2001, there is hereby levied an additional 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 Receipts Act of 1941, § 26-52-101 et seq.

resulting from the sale of tangible personal property.

- 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, § 2622 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

- SECTION 2. Arkansas Code § 26-52-311(b)(1), pertaining to the rental 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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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.]
- 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,
- 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 1949, \S 26-53-101 et seq., there is hereby levied an excise tax of one-half 14 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
 - (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.
- 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 and taxable
 30 services subject to the tax levied by the Arkansas Compensating Tax Act of
 31 1949, § 26-53-101 et seq.
- 32 (2) The tax shall be collected, reported, and paid in the same
 33 manner and at the same time as is prescribed by the Arkansas Compensating Tax
 34 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
 35 of Arkansas compensating taxes.

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compensating taxes.

- 1 SECTION 4. Arkansas Code § 26-53-107 is amended as follows:
- 2 26-53-107. Additional taxes levied. [Effective until contingency in
- 3 Acts 2003, No. 1273, § 88 is met.]
- 4 (a) In addition to the excise tax levied upon the privilege of
- 5 storing, using, distributing, or consuming tangible personal property within
- 6 this state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there
- 7 is levied an excise tax of one percent (1%) upon all tangible personal
- 8 property subject to the tax levied in that act, and the tax shall be
- 9 collected, reported, and paid in the same manner and at the same time as is
- 10 prescribed by law for the collection, reporting, and payment of state
- 11 compensating taxes.
- 12 (b) In addition to the excise tax levied upon the privilege of
- 13 storing, using, distributing, or consuming tangible personal property within
- 14 the state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is
- 15 hereby levied an excise tax of one-half of one percent (0.5%) upon all
- 16 tangible personal property subject to the tax levied in that act, and such
- 17 tax shall be collected, reported, and paid in the same manner and at the same
- 18 time as is prescribed by law for the collection, reporting, and payment of
- 19 Arkansas 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 subject to the tax levied by the Arkansas Compensating Tax Act of
- 23 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 hereby levied an additional
- 29 excise tax of one percent (1%) upon all tangible personal property subject to
- 30 the tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et
- 31 seq.
- 32 (2) The tax shall be collected, reported, and paid in the same
- 33 manner and at the same time as is prescribed by the Arkansas Compensating Tax
- 34 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
- 35 of Arkansas compensating taxes.

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1	SECTION 5. Educational Adequacy Trust Fund.		
2	(a) There is hereby created on the books of the Treasurer of State,		
3	the Auditor of State, and Chief Fiscal Officer of the State a special revenue		
4	fund to be known as the Educational Adequacy Trust Fund.		
5	(b) The fund shall consist of the revenues generated by Arkansas Code		
6	§§ 26-52-302(d) and 26-53-107(d).		
7	(c) On the last day of the month, the Treasurer of State shall		
8	transfer amounts available in the Educational Adequacy Trust Fund to the		
9	Department of Education Public School Fund Account established in Arkansas		
10	Code § 19-5-305, to be used for the purposes as provided by law. The		
11	Treasurer of State shall make the transfer after making the deductions		
12	required from the net special revenues as set out in Arkansas Code § 19-5-		
13	203(b)(2)(A).		
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15	SECTION 6. EMERGENCY CLAUSE. It is found and determined by the		
16	General Assembly that the provision of an equal opportunity for an adequate		
17	education to all the citizens of the state is imperative; that additional		
18	$\underline{\text{funds}}$ are immediately needed to provide an equal opportunity for an adequate		
19	education; that this act is designed to provide the additional revenues		
20	needed to provide this equal opportunity to all citizens; and that a delay in		
21	the effective date of this act will cause irreparable harm upon the provision		
22	of essential education opportunities and the proper administration of		
23	educational programs. Therefore, an emergency is declared to exist and this		
24	act being immediately necessary for the preservation of the public peace,		
25	health, and safety shall be in full force and effect on March 1, 2004.		
26	/s/ Napper		
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