

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

A Bill

Call Item 6

HOUSE BILL 1137

5 By: Representative King
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7

For An Act To Be Entitled

9 AN ACT TO LEVY AN ADDITIONAL GROSS RECEIPTS AND
10 COMPENSATING USE TAX OF ONE PERCENT (1%); TO
11 CREATE THE EDUCATIONAL ADEQUACY TRUST FUND; AND
12 FOR OTHER PURPOSES.
13

Subtitle

14 LEVIES AN ADDITIONAL 1% SALES AND USE
15 TAX AND CREATES THE EDUCATIONAL ADEQUACY
16 TRUST FUND.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 26-52-302, concerning the levy of gross
23 receipts tax, is amended to add a new subsection as follows:

24 (d)(1) Beginning March 1, 2004, there is levied an additional excise
25 tax of one percent (1%) upon all taxable sales of property and services
26 subject to the tax levied by the Arkansas Gross Receipts Act of 1941, § 26-
27 52-101 et seq.

28 (2) The tax shall be collected, reported, and paid in the same
29 manner and at the same time as is prescribed by the Arkansas Gross Receipts
30 Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment
31 of Arkansas gross receipts taxes.
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33 SECTION 2. Arkansas Code § 26-52-311(b)(1), pertaining to the rental
34 vehicle tax, is amended to read as follows:

35 (b)(1) In addition to the rate in subsection (c) of this section, the
36 rental vehicle tax shall be levied at the ~~same rate as the combined gross~~



1 ~~receipts taxes levied by §§ 26-52-301 and 26-52-302 and any act supplemental~~
 2 ~~thereto~~ rate of five percent (5%) and the rate of any applicable municipal or
 3 county taxes.

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 5 SECTION 3. Arkansas Code § 26-53-107, effective until contingency in
 6 Acts 2003, No. 1273, § 88 is met and concerning the levy of compensating tax,
 7 is amended to add a new subsection to read as follows:

8 (d)(1) Beginning March 1, 2004, there is levied an additional excise
 9 tax of one percent (1%) upon all tangible personal property and taxable
 10 services subject to the tax levied by the Arkansas Compensating Tax Act of
 11 1949, § 26-53-101 et seq.

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

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 17 SECTION 4. Arkansas Code § 26-53-107, effective when contingency in
 18 Acts 2003, No. 1273, § 88 is met and concerning the levy of compensating tax,
 19 is amended to add a new subsection as follows:

20 (d)(1) Beginning March 1, 2004, there is hereby levied an additional
 21 excise tax of one percent (1%) upon all tangible personal property subject to
 22 the tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et
 23 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.

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 29 SECTION 5. Educational Adequacy Trust Fund.

30 (a) There is hereby created on the books of the Treasurer of State,
 31 the Auditor of State, and Chief Fiscal Officer of the State a special revenue
 32 fund to be known as the Educational Adequacy Trust Fund.

33 (b) The fund shall consist of the revenues generated by Arkansas Code
 34 §§ 26-52-302(d) and 26-53-107(d).

35 (c) On the last day of the month, the Treasurer of State shall
 36 transfer amounts available in the Educational Adequacy Trust Fund to the

1 Department of Education Public School Fund Account established in Arkansas
2 Code § 19-5-305, to be used for the purposes as provided by law. The
3 Treasurer of State shall make the transfer after making the deductions
4 required from the net special revenues as set out in Arkansas Code § 19-5-
5 203(b)(2)(A).

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

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