

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 436 of the Regular Session

As Engrossed: S1/22/09 H3/11/09

A Bill

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

SENATE BILL 88

4
5 By: Senators Glover, Broadway, Altes, G. Baker, Bledsoe, Bookout, Bryles, Capps, Crumbly, Elliott,
6 Faris, Hendren, J. Jeffress, G. Jeffress, B. Johnson, J. Key, Laverty, Luker, P. Malone, Miller, Salmon,
7 Steele, R. Thompson, H. Wilkins, Wilkinson, D. Wyatt, *Horn*
8 *By: Representatives Saunders, McCrary, Abernathy, Adcock, Allen, Baird, T. Baker, Barnett, Betts,*
9 *Blount, T. Bradford, Breedlove, J. Brown, M. Burris, J. Burris, Carnine, Carroll, Carter, Cash,*
10 *Cheatham, Clemmer, Cole, Cook, Cooper, L. Cowling, D. Creekmore, Dale, Davenport, Davis, J.*
11 *Dickinson, Dismang, Dunn, J. Edwards, English, Everett, Flowers, Garner, Gaskill, George, Glidewell,*
12 *R. Green, Greenberg, Hall, Hardy, Harrelson, Hawkins, Hobbs, Hopper, House, Hoyt, D. Hutchinson,*
13 *Hyde, Ingram, Kerr, Kidd, King, Lea, W. Lewellen, Lindsey, Lovell, Lowery, Maloch, S. Malone, M.*
14 *Martin, Maxwell, McLean, Moore, Nickels, Nix, Overbey, Patterson, Pennartz, Perry, Pierce, Powers,*
15 *Pyle, Ragland, Rainey, Reep, Reynolds, Rice, J. Roebuck, J. Rogers, T. Rogers, Sample, Shelby, Slinkard,*
16 *G. Smith, L. Smith, Stewart, Summers, Tyler, Wagner, Webb, Wells, B. Wilkins, Williams, Wills, Woods,*
17 *Word*

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19
20 **For An Act To Be Entitled**

21 AN ACT TO REDUCE THE STATE SALES AND USE TAX RATE
22 ON FOOD AND FOOD INGREDIENTS; AND FOR OTHER
23 PURPOSES.

24
25 **Subtitle**

26 TO REDUCE THE STATE SALES AND USE TAX
27 RATE ON FOOD AND FOOD INGREDIENTS.

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30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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32 SECTION 1. Arkansas Code § 26-52-317(c)(1), concerning the state sales
33 tax rate on food and food ingredients, is amended to read as follows:

34 (c)(1) Beginning ~~July 1, 2007~~ July 1, 2009, in lieu of the gross
35 receipts or gross proceeds taxes levied on food and food ingredients under §§



1 26-52-301 and 26-52-302, there is levied a tax on the gross receipts or gross
2 proceeds derived from the sale of food and food ingredients at the rate of
3 ~~two and seven eighths percent (2.875%)~~ one and seven-eighths percent (1.875%)
4 to be distributed as follows:

5 (A) Seventy-six and six-tenths percent (76.6%) of the
6 taxes, interest, penalties, and costs received by the director under this
7 subdivision (c)(1) shall be deposited as general revenues;

8 (B) Eight and five-tenths percent (8.5%) of the taxes,
9 interest, penalties, and costs received by the director under this
10 subdivision (c)(1) shall be deposited into the Property Tax Relief Trust
11 Fund; and

12 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
13 interest, penalties, and costs received by the director under this
14 subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.
15

16 SECTION 2. Arkansas Code § 26-53-145(c)(1), concerning the state use
17 tax on food and food ingredients, is amended to read as follows:

18 (c)(1) Beginning ~~July 1, 2007~~ July 1, 2009, in lieu of the
19 compensating use taxes levied on food and food ingredients under §§ 26-53-106
20 and 26-53-107, there is levied a tax on the privilege of storing, using,
21 distributing, or consuming food and food ingredients at the rate of ~~two and~~
22 ~~seven eighths percent (2.875%)~~ one and seven-eighths percent (1.875%) to be
23 distributed as follows:

24 (A) Seventy-six and six-tenths percent (76.6%) of the
25 taxes, interest, penalties, and costs received by the director under this
26 subdivision (c)(1) shall be deposited as general revenues;

27 (B) Eight and five-tenths percent (8.5%) of the taxes,
28 interest, penalties, and costs received by the director under this
29 subdivision (c)(1) shall be deposited into the Property Tax Relief Trust
30 Fund; and

31 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
32 interest, penalties, and costs received by the director under this
33 subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.
34

35 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
36 General Assembly of the State of Arkansas that unemployment is rising in

1 Arkansas, that the rise in unemployment has resulted in an increase in the
2 number of Arkansans unable to afford basic necessities; and that in order to
3 aid the people of Arkansas, the sales and use tax rate on food and food
4 ingredients should be reduced. Therefore, an emergency is declared to exist
5 and this act being necessary for the preservation of the public peace,
6 health, and safety shall become effective on July 1, 2009.

7
8 */s/ Glover*

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10 **APPROVED: 3/18/2009**

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