

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1541

5 By: Representatives J. Mayberry, Payton, Miller, Lundstrum, Penzo, Gates
6

For An Act To Be Entitled

8 AN ACT TO GRADUALLY DEDICATE THE SALES AND USE TAX
9 REVENUE DERIVED FROM THE SALES OF NEW AND USED
10 VEHICLES FOR THE MAINTENANCE, CONSTRUCTION, AND
11 RECONSTRUCTION OF HIGHWAYS, ROADS, STREETS, BRIDGES,
12 AND THEIR EXTENSIONS LOCATED WITHIN THE STATE; TO
13 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
14
15

Subtitle

16 TO GRADUALLY DEDICATE THE SALES AND USE
17 TAX REVENUE FROM THE SALES OF NEW AND
18 USED VEHICLES FOR ROADWAY MAINTENANCE,
19 CONSTRUCTION, AND RECONSTRUCTION; AND TO
20 DECLARE AN EMERGENCY.
21
22
23

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

26 SECTION 1. Arkansas Code § 26-52-510, concerning the payment of sales
27 tax on a new or used motor vehicle, trailer, or semitrailer is amended to add
28 additional subsections to read as follows:

29 (h)(1) Beginning the first day of September following the issuance of
30 an annual report certified to the Chief Fiscal Officer of the State by the
31 Treasurer of State in which the gross collection of general revenue for sales
32 and use tax exceeds two billion five hundred million dollars
33 (\$2,500,000,000), the Chief Fiscal Officer of the State shall determine as a
34 monthly allocation an amount equivalent to the percentages stated in
35 subsection (i) of this section of the total net general revenues enumerated
36 in § 19-6-201(1) and (2) that were collected as sales and use tax under § 26-



1 52-301, § 26-52-302(a), § 26-52-302(b)(1), § 26-52-303, § 26-52-607, § 26-53-
2 106, § 26-53-107(a), and § 26-53-107(b)(1), on the sale of new or used motor
3 vehicles, trailers, or semitrailers required to be licensed in this state.

4 (2) After making the deductions required under § 19-5-
5 202(b)(2)(B)(i), on the last day of each month the Chief Fiscal Officer of
6 the State shall certify the allocation determined under subdivision (h)(1) of
7 this section to the Treasurer of State, who shall transfer the certified
8 allocation as follows:

9 (A) Seventy percent (70%) credited to the State Highway
10 and Transportation Department Fund, which shall be used for the construction,
11 reconstruction, and maintenance of highways, roads, streets, bridges, and
12 extensions of highways, roads, streets, and bridges located within the state;

13 (B) Fifteen percent (15%) credited to the County Aid Fund,
14 which shall be used for the construction, reconstruction, and maintenance of
15 highways, roads, streets, bridges, and extensions of highways, roads,
16 streets, and bridges located within the county; and

17 (C) Fifteen percent (15%) credited to the Municipal Aid
18 Fund, which shall be used for the construction, reconstruction, and
19 maintenance of highways, roads, streets, bridges, and extensions of highways,
20 roads, streets, and bridges located within the municipality.

21 (i) In making a determination under subsection (h) of this section,
22 the Chief Fiscal Officer of the State shall use the following percentages:

23 (1) Beginning September 1 of the first year, ten percent (10%);

24 (2) Beginning September 1 of the second year in which an
25 increase is allowed under subsection (j) of this section, twenty percent
26 (20%);

27 (3) Beginning September 1 of the third year in which an increase
28 is allowed under subsection (j) of this section, thirty percent (30%);

29 (4) Beginning September 1 of the fourth year in which an
30 increase is allowed under subsection (j) of this section, forty percent
31 (40%);

32 (5) Beginning September 1 of the fifth year in which an increase
33 is allowed under subsection (j) of this section, fifty percent (50%);

34 (6) Beginning September 1 of the sixth year in which an increase
35 is allowed under subsection (j) of this section, sixty percent (60%);

36 (7) Beginning September 1 of the seventh year in which an

1 increase is allowed under subsection (j) of this section, seventy percent
2 (70%);

3 (8) Beginning September 1 of the eighth year in which an
4 increase is allowed under subsection (j) of this section, eighty percent
5 (80%);

6 (9) Beginning September 1 of the ninth year in which an increase
7 is allowed under subsection (j) of this section, ninety percent (90%); and

8 (10) Beginning September 1 of the tenth year in which an
9 increase is allowed under subsection (j) of this section and thereafter, one
10 hundred percent (100%).

11 (j)(1) After the Treasurer of State certifies an annual report to the
12 Chief Fiscal Officer of the State under subdivision (h)(1) of this section,
13 the Chief Fiscal Officer of the State shall determine, within fifteen (15)
14 days after the end of each fiscal year, whether the total gross general
15 revenues for the closing fiscal year increased by at least three percent (3%)
16 over the total gross general revenues for the fiscal year immediately
17 preceding the closing fiscal year.

18 (2) If the Chief Fiscal Officer of the State determines under
19 subdivision (j)(1) of this section that the total gross general revenues for
20 the closing fiscal year:

21 (A) Increased by at least three percent (3%) over the
22 total gross general revenues for the fiscal year immediately preceding the
23 closing fiscal year, the percentage used under subsection (i) of this section
24 shall increase as stated under subsection (i) of this section; or

25 (B) Did not increase by at least three percent (3%) over
26 the total gross general revenues for the fiscal year immediately preceding
27 the closing fiscal year, the percentage used under subsection (i) of this
28 section shall:

29 (i) Not increase on September 1 as stated in
30 subsection (i) of this section; and

31 (ii) Remain the same until the Chief Fiscal Officer
32 of the State determines that the total gross general revenues for a closing
33 fiscal year increased by at least three percent (3%) over the total gross
34 general revenues for the fiscal year immediately preceding the closing fiscal
35 year.

36

1 SECTION 2. Arkansas Code § 26-53-126, concerning the payment of use
2 tax on new or used motor vehicles, trailers, or semitrailers is amended to
3 add additional subsections to read as follows:

4 (g)(1) Beginning the first day of September following the issuance of
5 an annual report certified to the Chief Fiscal Officer of the State by the
6 Treasurer of State in which the gross collection of general revenue for sales
7 and use tax exceeds two billion five hundred million dollars
8 (\$2,500,000,000), the Chief Fiscal Officer of the State shall determine as a
9 monthly allocation an amount equivalent to the percentages stated in
10 subsection (h) of this section of the total net general revenues enumerated
11 in § 19-6-201(1) and (2) that were collected as sales and use tax under § 26-
12 52-301, § 26-52-302(a), § 26-52-302(b)(1), § 26-52-303, § 26-52-607, § 26-53-
13 106, § 26-53-107(a), and § 26-53-107(b)(1), on the sale of new or used motor
14 vehicles, trailers, or semitrailers required to be licensed in this state.

15 (2) After making the deductions required under § 19-5-
16 202(b)(2)(B)(i), on the last day of each month the Chief Fiscal Officer of
17 the State shall certify the allocation determined under subdivision (g)(1) of
18 this section to the Treasurer of State, who shall transfer the certified
19 allocation as follows:

20 (A) Seventy percent (70%) credited to the State Highway
21 and Transportation Department Fund, which shall be used for the construction,
22 reconstruction, and maintenance of highways, roads, streets, bridges, and
23 extensions of highways, roads, streets, and bridges located within the state;

24 (B) Fifteen percent (15%) credited to the County Aid Fund,
25 which shall be used for the construction, reconstruction, and maintenance of
26 highways, roads, streets, bridges, and extensions of highways, roads,
27 streets, and bridges located within the county; and

28 (C) Fifteen percent (15%) credited to the Municipal Aid
29 Fund, which shall be used for the construction, reconstruction, and
30 maintenance of highways, roads, streets, bridges, and extensions of highways,
31 roads, streets, and bridges located within the municipality.

32 (h) In making a determination under subsection (g) of this section,
33 the Chief Fiscal Officer of the State shall use the following percentages:

34 (1) Beginning September 1 of the first year, ten percent (10%);

35 (2) Beginning September 1 of the second year in which an
36 increase is allowed under subsection (i) of this section, twenty percent

1 (20%);

2 (3) Beginning September 1 of the third year in which an increase
3 is allowed under subsection (i) of this section, thirty percent (30%);

4 (4) Beginning September 1 of the fourth year in which an
5 increase is allowed under subsection (i) of this section, forty percent
6 (40%);

7 (5) Beginning September 1 of the fifth year in which an increase
8 is allowed under subsection (i) of this section, fifty percent (50%);

9 (6) Beginning September 1 of the sixth year in which an increase
10 is allowed under subsection (i) of this section, sixty percent (60%);

11 (7) Beginning September 1 of the seventh year in which an
12 increase is allowed under subsection (i) of this section, seventy percent
13 (70%);

14 (8) Beginning September 1 of the eighth year in which an
15 increase is allowed under subsection (i) of this section, eighty percent
16 (80%);

17 (9) Beginning September 1 of the ninth year in which an increase
18 is allowed under subsection (i) of this section, ninety percent (90%); and

19 (10) Beginning September 1 of the tenth year in which an
20 increase is allowed under subsection (i) of this section and thereafter, one
21 hundred percent (100%).

22 (i)(1) After the Treasurer of State certifies an annual report to the
23 Chief Fiscal Officer of the State under subdivision (g)(1) of this section,
24 the Chief Fiscal Officer of the State shall determine, within fifteen (15)
25 days after the end of each fiscal year, whether the total gross general
26 revenues for the closing fiscal year increased by at least three percent (3%)
27 over the total gross general revenues for the fiscal year immediately
28 preceding the closing fiscal year.

29 (2) If the Chief Fiscal Officer of the State determines under
30 subdivision (i)(1) of this section that the total gross general revenues for
31 the closing fiscal year:

32 (A) Increased by at least three percent (3%) over the
33 total gross general revenues for the fiscal year immediately preceding the
34 closing fiscal year, the percentage used under subsection (h) of this section
35 shall increase as stated under subsection (h) of this section; or

36 (B) Did not increase by at least three percent (3%) over

1 the total gross general revenues for the fiscal year immediately preceding
2 the closing fiscal year, the percentage used under subsection (h) of this
3 section shall:

4 (i) Not increase on September 1 as stated in
5 subsection (h) of this section; and

6 (ii) Remain the same until the Chief Fiscal Officer
7 of the State determines that the total gross general revenues for a closing
8 fiscal year increased by at least three percent (3%) over the total gross
9 general revenues for the fiscal year immediately preceding the closing fiscal
10 year.

11
12 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
13 General Assembly of the State of Arkansas that the highways, roads, streets,
14 and bridges of this state are in dire need of construction, reconstruction,
15 and maintenance; that well-maintained roadways are necessary for economic
16 development in this state; that dedicating the sales and use tax from the
17 sale of new and used motor vehicles, trailers, and semitrailers is necessary
18 to help pay for the construction, reconstruction, and maintenance of our
19 roadways; and that in order to lessen the loss of this money from general
20 revenue, the transfer of these taxes will be phased in over a ten-year
21 period. Therefore, an emergency is declared to exist, and this act being
22 necessary for the preservation of the public peace, health, and safety shall
23 become effective on July 1, 2019.

24
25
26
27
28
29
30
31
32
33
34
35
36