

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

A Bill

HOUSE BILL 1942

5 By: Representatives Ladyman, Jett
6 By: Senator D. Wallace
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE SALES AND USE TAX REDUCTION
10 STUDY; AND FOR OTHER PURPOSES.
11

Subtitle

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14 TO CREATE THE SALES AND USE TAX REDUCTION
15 STUDY.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. TEMPORARY LANGUAGE. DO NOT CODIFY. Sales and Use Tax
21 Reduction Study – Creation – Duties.

22 (a) The General Assembly finds that:

23 (1) Arkansas has one of the highest sales and use tax rates in
24 the nation;

25 (2) The state should reduce the burden on taxpayers when
26 possible in a fiscally responsible manner;

27 (3) The Arkansas Tax Reform and Relief Legislative Task Force
28 studied the state's tax laws and policies to determine how to provide tax
29 relief and reform the state's tax laws; and

30 (4) The legislature should continue to study how the state can
31 reduce the sales and use tax rate in a fiscally responsible manner.

32 (b) The House Committee on Revenue and Taxation and the Senate
33 Committee on Revenue and Taxation shall meet jointly to conduct the Sales and
34 Use Tax Reduction Study.

35 (c)(1) The chairs of the House Committee on Revenue and Taxation and
36 the Senate Committee on Revenue and Taxation shall call the first joint



1 meeting for the purpose of beginning the study within sixty (60) days of the
2 effective date of this act.

3 (2) All meetings shall be open public meetings under the Freedom
4 of Information Act of 1967, Arkansas Code § 25-19-101 et seq.

5 (3) Joint meetings for the purpose of conducting the study shall
6 be held at least one (1) time every three (3) months but may occur more often
7 at the call of the chairs.

8 (d) The purpose of the study is to make recommendations to the General
9 Assembly regarding:

10 (1) A possible reduction of the sales and use tax rate; and

11 (2) How the reduction in state revenue resulting from the
12 reduced sales and use tax rate could be offset through savings, income
13 growth, or other means.

14 (e) In order to fulfill the purpose of this act, the House Committee
15 on Revenue and Taxation and the Senate Committee on Revenue and Taxation
16 shall conduct a study to include without limitation the following:

17 (1) The feasibility of reducing the state sales and use tax rate
18 by five-tenths percent (0.5%);

19 (2) The overall cost to general revenue and special revenue
20 resulting from a reduction of the sales and use tax rate; and

21 (3) The possible means of offsetting a reduction in state
22 revenue through savings, income growth, and other means.

23 (f) On or before December 1, 2020, the House Committee on Revenue and
24 Taxation and the Senate Committee on Revenue and Taxation shall file with the
25 Legislative Council a final written report of their activities, findings, and
26 recommendations, and the study shall be complete upon that submission.

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