

.As Engrossed: 2/4/91, 3/20/91

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Senator Travis Miles**

A BILL ACT 777 OF 1991
SENATE BILL 260

For An Act To Be Entitled

8 "AN ACT TO PROVIDE THAT A CITY OR COUNTY MAY LEVY A SALES
9 AND USE TAX OF ONE-FOURTH PERCENT, ONE-HALF PERCENT,
10 THREE-FOURTHS PERCENT, OR ONE PERCENT FOR THE
11 CONSTRUCTION, OPERATION, ACQUISITION, OR MAINTENANCE OF
12 CAPITAL IMPROVEMENTS; AND FOR OTHER PURPOSES."

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

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16 SECTION 1. In lieu of any other municipal or county sales and use tax,
17 the governing body of any municipality or county may adopt an ordinance
18 levying a tax *in the amount of one-fourth of one percent, one-half of one*
19 *percent, three-fourths of one percent, or one percent (1%)* upon all taxable
20 sales of property and services subject to the tax levied by the Arkansas Gross
21 Receipts Act and upon the privilege of storing, using, distributing or
22 consuming within this state any tangible personal property which is subject to
23 the Arkansas Compensating Tax Act. The proceeds of a tax levied under this
24 *act may be used to (i) finance the operation or maintenance of capital*
25 *improvements and/or (ii) secure the repayment of bonds by the municipality or*
26 *county.*

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28 SECTION 2. To the extent permitted by this act, a governing body
29 levying a tax under this act shall follow the procedures prescribed by
30 Arkansas Code sections 14-164-301 to 14-164-337 and the tax shall be
31 collected, reported, and remitted in the same manner and at the same time as a
32 *tax levied under that subchapter.*

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34 SECTION 3. All provisions of this act of a general and permanent nature
35 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
36 Revision Commission shall incorporate the same in the Code.

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SECTION 4. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 5. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 6. It is hereby determined by the General Assembly that cities and counties are faced with financial crises with reference to having *sufficient tax resources, maintain and finance capital improvements of a public nature* and to provide services to their inhabitants; that under current law the cities and counties are restricted to a one percent (1%) sales and use tax levy; that the ability to levy a sales and use tax computed on any fraction of one percent (1%) would be a feasible alternative for some cities and counties in financial crisis; and that such financial crises constitute such an emergency that the immediate passage of this act is necessary in order to provide financial relief to the cities and counties. Therefore, an emergency is hereby declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall take effect and be in full force from and after its passage and approval.

/s/Miles

APPROVED: 3/26/91

