

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Senator Dowd**

A Bill

ACT 211 OF 1995
SENATE BILL 295

For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 26, CHAPTER 75, SUBCHAPTER 5 OF THE
9 ARKANSAS CODE TO CLARIFY THAT BOTH LOCAL USE TAX AND LOCAL
10 SALES TAX ARE LEVIED; AND FOR OTHER PURPOSES."

Subtitle

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13 "AN ACT TO CLARIFY THAT LOCAL USE
14 TAX IS LEVIED BY ARK. CODE
15 ANN. § 26-75-501, ET SEQ."

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

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19 SECTION 1: Title 26, Chapter 75, Subchapter 5 of the Arkansas Code of
20 1987 Annotated is amended by adding a new section to read as follows:

21 "26-75-508. Levy of Use Tax.

22 In all cities of the first or second class that have adopted an
23 ordinance prior to January 1, 1995 levying local sales tax as provided in
24 § 26-75-502, there is also levied a local compensating use tax. The rate of
25 the use tax levied by this section shall be equal to the rate of the sales tax
26 levied by the city. The use tax levied under this section and the local sales
27 tax levied under § 26-75-502 shall be administered and enforced in accordance
28 with the provisions of §§ 26-75-223 and 26-75-312."

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30 SECTION 2: Ark. Code Ann. § 26-75-505(a) is amended to read as follows:

31 "(a) The Director of the Department of Finance and Administration of
32 the State of Arkansas shall collect the tax levied under this subchapter
33 concurrently with and in the same manner as taxes collected under the Arkansas
34 Gross Receipts Act of 1941, § 26-52-101 et seq. and the Arkansas Compensating
35 Tax Act of 1949, § 26-53-101 et seq."

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

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

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

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14 SECTION 6. EMERGENCY. It is hereby found and determined by the General
15 Assembly that there exists some confusion among taxpayers in Texarkana,
16 Arkansas concerning application of city sales and use tax; that this act will
17 clarify that city use tax applies to out of state purchases by Texarkana,
18 Arkansas residents; and that an effective date of July 1, 1995 is necessary
19 for the efficient administration of this act. Therefore, an emergency is
20 hereby declared to exist and this act being necessary for the immediate
21 preservation of the public peace, health and safety shall be in full force and
22 effect on and after July 1, 1995.

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APPROVED: 2-9-95

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