

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

As Engrossed: S3/5/97

# A Bill

ACT 924 OF 1997  
SENATE BILL 361

4  
5 By: Senator Todd  
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7

## For An Act To Be Entitled

8  
9 "AN ACT TO AMEND ARKANSAS CODE § 27-115-110 TO PROVIDE THAT  
10 ALL SALES TAX REVENUES AND USE TAX REVENUES DERIVED FROM  
11 THE SALE OF AIRCRAFT, AVIATION FUEL, AVIATION SERVICES AND  
12 AIRCRAFT PARTS AND ACCESSORIES SHALL BE CREDITED TO THE  
13 ARKANSAS DEPARTMENT OF AERONAUTICS FUND; TO DECLARE AN  
14 EMERGENCY; AND FOR OTHER PURPOSES."  
15

## Subtitle

16  
17 "TO PROVIDE THAT ALL SALES AND USE TAX  
18 REVENUES FROM THE SALE OF AIRCRAFT AND  
19 AIRCRAFT PARTS AND ACCESSORIES SHALL GO  
20 TO THE AERONAUTICS FUND."  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. Arkansas Code 27-115-110 is amended to read as follows:

25 "27-115-110. Disposition of funds.

26 (a) All revenues derived from the levying of the Arkansas Gross  
27 Receipts Tax, as amended, § 26-52-101 et seq., upon aircraft and aviation  
28 fuel, aviation services, aircraft parts and accessories, and other gross  
29 receipts taxes remitted by aircraft dealers, airports, and flying fields shall  
30 be reported to the Director of the Department of Finance and Administration in  
31 a manner and on forms as he shall direct.

32 (b) The Arkansas Department of Aeronautics is authorized to accept  
33 donations and grants of all property whether real or personal.

34 (c) Tax proceeds and grants and donations of money shall be special  
35 revenues and shall be deposited in the State Treasury to the credit of the  
36 Arkansas Department of Aeronautics Fund to be used for constructing and

1 improving airports, civil airways, and other air navigation facilities and for  
2 preserving the history of aviation in the state.

3 (d) The department shall administer the funds so deposited and shall  
4 use the funds for the sole purpose of building airports, civil airways, and  
5 other air navigation facilities in this state in such cities or towns as the  
6 department, in coordination with the Arkansas Industrial Development  
7 Commission, shall determine would attract the greatest volume of industry to  
8 this state.

9 (e) The funds may also be used for the purpose of:

10 (1) Matching funds with any federal funds made available for the  
11 purpose of and this section;

12 (2) Establishing an aviation museum to preserve the history of  
13 aviation in the state. Assistance for the establishment of an aviation museum  
14 shall not exceed a total of twenty thousand dollars (\$20,000)."

15 (f)(1) All revenues derived from the levying of the Arkansas  
16 Compensating Use Tax under § 26-53-101 et seq., upon aircraft and aviation  
17 fuel, aviation services, aircraft parts and accessories remitted by aircraft  
18 dealers, airports, and flying fields shall be reported to the Director of the  
19 Department of Finance and Administration in a manner and on forms as he shall  
20 direct.

21 (2) The first eight hundred thousand dollars (\$800,000) of the State  
22 use tax collected after June 30, 1997 and collected through June 30, 1998  
23 shall be deposited in the State Treasury as general revenues and the remainder  
24 of the revenues collected during this period shall be special revenues and  
25 shall be deposited in the State Treasury to the credit of the Arkansas  
26 Department of Aeronautics Fund to be used for the purposes set forth in this  
27 subsection.

28 (3) The first eight hundred thousand dollars (\$800,000) of the State  
29 use tax collected after June 30, 1998 and collected through June 30, 1999  
30 shall be deposited in the State Treasury as general revenues and the remainder  
31 of the revenues collected during this period shall be special revenues and  
32 shall be deposited in the State Treasury to the credit of the Arkansas  
33 Department of Aeronautics Fund to be used for the purposes set forth in this  
34 subsection.

35 (4) The first four hundred thousand dollars (\$400,000) of the State use  
36 tax collected after June 30, 1999 and collected through June 30, 2000 shall be

1 deposited in the State Treasury as general revenues and the remainder of the  
2 revenues collected during this period shall be special revenues and shall be  
3 deposited in the State Treasury to the credit of the Arkansas Department of  
4 Aeronautics Fund to be used for the purposes set forth in this subsection.

5       (5) The first two hundred thousand dollars (\$200,000) of the State use  
6 tax collected after June 30, 2000 and collected through June 30, 2001 shall be  
7 deposited in the State Treasury as general revenues and the remainder of the  
8 revenues collected during this period shall be special revenues and shall be  
9 deposited in the State Treasury to the credit of the Arkansas Department of  
10 Aeronautics Fund to be used for the purposes set forth in this subsection.

11       (6) Beginning July 1, 2001, all State use tax derived shall be special  
12 revenues and shall be deposited in the State Treasury to the credit of the  
13 Arkansas Department of Aeronautics Fund to be used for the purposes set forth  
14 in this subsection.

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

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20       SECTION 3. If any provisions of this act or the application thereof to  
21 any person or circumstance is held invalid, the invalidity shall not affect  
22 other provisions or applications of the act which can be given effect without  
23 the invalid provisions or application, and to this end the provisions of this  
24 act are declared to be severable.

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26       SECTION 4. All laws and parts of laws in conflict with this act are  
27 hereby repealed.

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29       SECTION 5. Emergency. It is hereby found and determined by the General  
30 Assembly of the State of Arkansas that, because of the passage of Acts 58 and  
31 61 of the First Extraordinary Session of 1992, the Department of Aeronautics  
32 has seen its funds for grants to local airports drop dramatically; that the  
33 Department is in desperate need of new tax revenues in order to provide  
34 financial assistance to local airports in Arkansas; that this act will  
35 generate additional tax revenues to the Department of Aeronautics for those  
36 local airports; that all airports of this State should receive the financial

1 assistance as soon as possible; and that the orderly levy and administration  
2 of this tax demands that collections should therefore begin at the  
3 commencement of the fiscal year for State government. Therefore, in order to  
4 speed the financial assistance to local airports, an emergency is hereby  
5 declared to exist, and this act being necessary for the immediate preservation  
6 of the public peace, health, and safety, shall be in full force and effect  
7 from and after July 1, 1997.

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/s/Todd

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APPROVED:3-31-97

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