

1 State of Arkansas  
2 82nd General Assembly  
3 Second Extraordinary Session, 2000  
4

# A Bill

Call Item 3  
Act 2 of the 2<sup>nd</sup> Extraordinary Session  
SENATE BILL 1

5 By: Senators Riggs, Bisbee  
6 By: Representatives Courtway, R. Smith  
7  
8

## For An Act To Be Entitled

9  
10 AN ACT TO PROVIDE A THREE HUNDRED DOLLAR REAL PROPERTY  
11 TAX CREDIT IN ACCORDANCE WITH AMENDMENT 79 OF THE  
12 ARKANSAS CONSTITUTION; TO INCREASE THE SALES AND USE  
13 TAX BY ONE-HALF OF ONE PERCENT; AND FOR OTHER  
14 PURPOSES.  
15

## Subtitle

16  
17 PROVIDES A \$300 REAL PROPERTY TAX  
18 CREDIT; INCREASES SALES AND USE TAX BY  
19 ONE-HALF OF ONE PERCENT.  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code 19-5-1103 is repealed.

25 ~~19-5-1103. Property Tax Relief Trust Fund. [Effective January 1, 2001, if~~  
26 ~~the following contingencies are met: (a) The General Assembly refers a~~  
27 ~~constitutional amendment to be approved during the 2000 general election; (b)~~  
28 ~~The amendment provides for a limitation on the increase in the assessed value~~  
29 ~~of real property after a county wide reappraisal; and (c) The amendment is~~  
30 ~~approved.]~~

31 ~~(a) There is hereby created on the books of the Treasurer of State, the~~  
32 ~~Auditor of State, and the Chief Fiscal Officer of the State a special revenue~~  
33 ~~fund to be known as the Property Tax Relief Trust Fund.~~

34 ~~(b) The fund shall consist of such revenues as generated by §§ 26-52-~~  
35 ~~302(c) and 26-53-107(c) and shall be used for such purposes as set out herein.~~  
36

1           SECTION 2. (a) There is hereby created on the books of the Treasurer of  
2 State, the Auditor of State, and the Chief Fiscal Officer of the State a  
3 special revenue fund to be known as the Property Tax Relief Trust Fund.

4           (b) The fund shall consist of such revenues as generated by Arkansas  
5 Code 26-52-302(c) and 26-53-107(c) and shall be used for such purposes as set  
6 out herein.

7  
8           SECTION 3. Arkansas Code 26-26-309 is repealed.

9           ~~26-26-309. Certification of amount of property tax reduction. [Effective~~  
10 ~~January 1, 2001, if the following conditions occur: (1) The General Assembly~~  
11 ~~refers a constitutional amendment to be approved during the 2000 general~~  
12 ~~election providing for a limitation on the increase in the assessed value of~~  
13 ~~real property after a county wide reappraisal; and (2) That constitutional~~  
14 ~~amendment is approved.]~~

15           ~~(a)(1) On or before March 31, 2001, and each March 31 thereafter, the~~  
16 ~~county collector of each county shall certify to the Chief Fiscal Officer of~~  
17 ~~the State the amount of the real property tax reduction provided in § 26-26-~~  
18 ~~1117.—~~

19           ~~(2)(A) After receipt of the certification from the county collectors,~~  
20 ~~the Chief Fiscal Officer of the State shall determine the proportionate share~~  
21 ~~of the total statewide reduction attributable to each county.—~~

22           ~~(B) At the end of each month, the Chief Fiscal Officer of the~~  
23 ~~State shall determine the balance in the Property Tax Relief Trust Fund and~~  
24 ~~certify it to the Treasurer of State, who shall make distributions from the~~  
25 ~~fund to each county treasurer in accordance with the county's proportionate~~  
26 ~~share of the total statewide property tax reduction for that calendar year~~  
27 ~~resulting from the provisions of § 26-26-1117.—~~

28           ~~(3)(A) Funds so received by the county treasurers shall be allocated and~~  
29 ~~distributed to the various taxing units within the county which levy ad valorem~~  
30 ~~taxes.—~~

31           ~~(B) Funds so received by the various taxing units shall be used~~  
32 ~~for the same purposes and in the same proportions as otherwise provided by law.—~~

33           ~~(b)(1) Reimbursements to each county shall continue on a monthly basis~~  
34 ~~from the Property Tax Relief Trust Fund until the full amount certified by the~~  
35 ~~county collectors has been paid.—~~

36           ~~(2)(A) In no event shall the amount distributed to a county during~~

1 a calendar year from the Property Tax Relief Trust Fund exceed the amount  
 2 certified by the county collector as the property tax reduction for that  
 3 calendar year resulting from § 26-26-1117.—

4 ~~(B) Commencing December 31, 2002, and each December 31 thereafter,~~  
 5 ~~the Chief Fiscal Officer of the State, in cooperation with the Legislative~~  
 6 ~~Council and the Legislative Auditor, shall determine that portion of the~~  
 7 ~~balance remaining that is in excess of the required reimbursement to the~~  
 8 ~~counties and shall certify the same to the Treasurer of State, who shall~~  
 9 ~~transfer such amount from the Property Tax Relief Trust Fund to the general~~  
 10 ~~revenue fund of the State Apportionment Fund.—~~

11 ~~(3)(A) The Chief Fiscal Officer of the State, the Legislative~~  
 12 ~~Auditor, or their designees shall be entitled to audit the books and records of~~  
 13 ~~the county assessor, county collector, or any other party as needed to ensure~~  
 14 ~~that the amount of the property tax reduction certified by the county collector~~  
 15 ~~is accurate.—~~

16 ~~(B) The Chief Fiscal Officer of the State shall have the authority~~  
 17 ~~to adjust the amount certified by the county collector if it is discovered that~~  
 18 ~~the certified amount is incorrect.—~~

19  
 20 SECTION 4. Arkansas Code Title 26, Chapter 26, Subchapter 3 is amended  
 21 to add an additional section to read as follows:

22 26-26-310. Certification of amount of property tax reduction.

23 (a)(1) On or before March 31, 2001, and each March 31 thereafter, the  
 24 county collector of each county shall certify to the Chief Fiscal Officer of  
 25 the State the amount of the real property tax reduction provided in § 26-26-  
 26 1118.

27 (2)(A) After receipt of the certification from the county  
 28 collectors, the Chief Fiscal Officer of the State shall determine the  
 29 proportionate share of the total statewide reduction attributable to each  
 30 county.

31 (B) At the end of each month, the Chief Fiscal Officer of  
 32 the State shall determine the balance in the Property Tax Relief Trust Fund and  
 33 certify it to the Treasurer of State, who shall make distributions from the  
 34 fund to each county treasurer in accordance with the county's proportionate  
 35 share of the total statewide property tax reduction for that calendar year  
 36 resulting from the provisions of § 26-26-1118.

1           (3)(A) Funds so received by the county treasurers shall be  
 2 allocated and distributed to the various taxing units within the county which  
 3 levy ad valorem taxes.

4           (B) Funds so received by the various taxing units shall be  
 5 used for the same purposes and in the same proportions as otherwise provided by  
 6 law.

7           (b)(1) Reimbursements to each county shall continue on a monthly basis  
 8 from the Property Tax Relief Trust Fund until the full amount certified by the  
 9 county collectors has been paid.

10           (2)(A) In no event shall the amount distributed to a county during  
 11 a calendar year from the Property Tax Relief Trust Fund exceed the amount  
 12 certified by the county collector as the property tax reduction for that  
 13 calendar year resulting from § 26-26-1118.

14           (B) Commencing December 31, 2002, and each December 31  
 15 thereafter, the Chief Fiscal Officer of the State, in cooperation with the  
 16 Legislative Council and the Legislative Auditor, shall determine that portion  
 17 of the balance remaining that is in excess of the required reimbursement to the  
 18 counties and shall certify the same to the Treasurer of State. Such excess  
 19 funds may be used in accordance with subsequent legislation to provide  
 20 additional tax relief, or financial assistance to school districts that incur a  
 21 reduction in revenue as a direct result of Amendment 79.

22           (3)(A) The Chief Fiscal Officer of the State, the Legislative  
 23 Auditor, or their designees shall be entitled to audit the books and records of  
 24 the county assessor, county collector, or any other party as needed to ensure  
 25 that the amount of the property tax reduction certified by the county collector  
 26 is accurate.

27           (B) The Chief Fiscal Officer of the State shall have the  
 28 authority to adjust the amount certified by the county collector if it is  
 29 discovered that the certified amount is incorrect.

30  
 31           SECTION 5. Arkansas Code 26-26-1117 is repealed.

32           ~~26-26-1117. Limitation on increase of property's assessed value.~~  
 33 ~~[Effective January 1, 2001, if the following contingencies are met: (1) The~~  
 34 ~~General Assembly refers a constitutional amendment to be approved during the~~  
 35 ~~2000 general election providing for a limitation on the increase in the~~  
 36 ~~assessed value of real property after a county wide reappraisal; and (2) The~~

1 constitutional amendment is approved.]

2 (a)(1) ~~Effective with the assessment year 2000 and thereafter, the~~  
3 ~~amount of real property taxes assessed on the homestead of each taxpayer shall~~  
4 ~~be reduced by three hundred dollars (\$300), provided that no assessment shall~~  
5 ~~be reduced to less than zero (\$0.00).~~

6 (2) ~~Each property owner shall pay the reduced tax amount to the~~  
7 ~~county.~~

8 (3) ~~The tax reduction adopted by this act shall be reflected on~~  
9 ~~the tax bill sent to the property owner by the county collector.~~

10 (4) ~~The county and taxing units within the county shall be~~  
11 ~~entitled to reimbursement of the reduction in accordance with § 26-26-309.~~

12 (b)(1) ~~The term "homestead", as used in this section, means the~~  
13 ~~dwelling of a person which is used as his or her principal place of residence~~  
14 ~~and land contiguous thereto, excluding all land valued as agricultural land,~~  
15 ~~pasture land, or timber land, or a dwelling owned by a revocable trust and~~  
16 ~~used as the principal place of residence of a person who formed the trust.~~

17 (2) ~~For purposes of this section, the total area of an urban~~  
18 ~~homestead shall not exceed one fourth (1/4) of one (1) acre and the total area~~  
19 ~~of a rural homestead shall not exceed eighty (80) acres.~~

20 (c) ~~Each county assessor shall be responsible for identifying those~~  
21 ~~parcels of real property which are used as a homestead residence prior to~~  
22 ~~issuing tax bills.~~

23  
24 SECTION 6. Arkansas Code Title 26, Chapter 26, Subchapter 11 is amended  
25 to add an additional section to read as follows:

26 26-26-1118. Limitation on increase of property's assessed value.

27 (a)(1) Effective with the assessment year 2000 and thereafter, the  
28 amount of real property taxes assessed on the homestead of each taxpayer shall  
29 be reduced by three hundred dollars (\$300), provided that no assessment shall  
30 be reduced to less than zero (\$0.00).

31 (2) Each property owner shall pay the reduced tax amount to the  
32 county.

33 (3) The tax reduction adopted by this act shall be reflected on  
34 the tax bill sent to the property owner by the county collector.

35 (4) The county and taxing units within the county shall be  
36 entitled to reimbursement of the reduction in accordance with § 26-26-310.

1        (b) The term "homestead", as used in this section, means the dwelling of  
 2 a person which is used as his or her principal place of residence and land  
 3 contiguous thereto, excluding all land valued as agricultural land, pasture  
 4 land, or timber land. The term "homestead" shall also include a dwelling  
 5 owned by a revocable trust and used as the principal place of residence of a  
 6 person who formed the trust.

7        (c) Each county assessor shall be responsible for identifying those  
 8 parcels of real property which are used as a homestead residence prior to  
 9 issuing tax bills.

10  
 11        SECTION 7. Arkansas Code 26-51-601 - 26-51-608 are repealed.

12        ~~26-51-601. Legislative purpose.~~

13        ~~It is the purpose and the intent of this subchapter to prescribe a~~  
 14 ~~procedure whereby residents of this state who are sixty two (62) years of age~~  
 15 ~~or older, who own and pay ad valorem property taxes on their homes, may claim a~~  
 16 ~~refund from the state for a portion of the property taxes paid on their homes~~  
 17 ~~to lessen the burden placed upon these taxpayers by the ad valorem property~~  
 18 ~~taxes levied upon their homes.~~

19        ~~26-51-602. Definitions.~~

20        ~~As used in this subchapter, unless the context otherwise requires:~~

21        ~~(1) "Claimant" means a person who has filed a claim for a refund under~~  
 22 ~~the provisions of this subchapter;~~

23        ~~(2)(A) "Homestead" means a dwelling owned by a claimant and used as his~~  
 24 ~~principal place of abode, including the parcel of land on which the dwelling~~  
 25 ~~is situated and all lands contiguous thereto or a dwelling owned by a~~  
 26 ~~revocable trust and used as the principal place of abode of persons who formed~~  
 27 ~~the trust and otherwise qualify as a claimant, including the parcel of land on~~  
 28 ~~which the dwelling is situated and all lands contiguous thereto.~~

29        ~~(B) However, no dwelling and the lands on which it is located~~  
 30 ~~shall be considered a homestead for the purposes of this subchapter unless the~~  
 31 ~~claimant has resided thereon for at least one (1) year immediately preceding~~  
 32 ~~the filing of a claim under this subchapter.~~

33        ~~(C) Further, a mobile home which is affixed to the realty and is~~  
 34 ~~taxed as real property may qualify as a homestead for the purposes of this~~  
 35 ~~subchapter;~~

36        ~~(3) "Household" means a claimant, or a claimant and an individual~~

1 related to the claimant as husband or wife;—

2 (4) ~~“Household income” means the combined income received by members of~~  
3 ~~a household during a calendar year;—~~

4 (5)(A) ~~“Income” means gross income as defined in the Arkansas Income~~  
5 ~~Tax Act, as amended, § 26-51-101 et seq., less deductions allowed under § 26-~~  
6 ~~51-423(a)(1). It shall also include alimony, support money, cash public~~  
7 ~~assistance and relief, but shall not include relief granted under this~~  
8 ~~subsection; the gross amount of any pension or annuity, including all monetary~~  
9 ~~retirement benefits from whatever source derived including but not limited to~~  
10 ~~railroad retirement benefits, all payments received under the the federal~~  
11 ~~social Security Act, and veterans' disability pensions; all dividends and~~  
12 ~~interest from whatever source derived not included in gross income, workers'~~  
13 ~~compensation, and the gross amount of “loss of time insurance” but does not~~  
14 ~~include gifts from nongovernmental sources, surplus food, or other relief in~~  
15 ~~kind supplied by a governmental agency.—~~

16 (B) ~~However, in the case of a claimant who is a World War I~~  
17 ~~veteran of the United States armed services or the widow of such a veteran,~~  
18 ~~the term “income” as used herein shall not include federal or state retirement~~  
19 ~~or pension benefits or disability benefits, railroad retirement benefits, or~~  
20 ~~social security benefits; and—~~

21 (6) ~~“Property taxes” means all ad valorem taxes exclusive of special~~  
22 ~~assessments and delinquent charges, levied and paid on a claimant's homestead~~  
23 ~~during any particular year involved.—~~

24 ~~26-51-603. Eligibility.—~~

25 (a) ~~Any person sixty two (62) years of age or older or who is disabled,~~  
26 ~~as defined in Title XIX of the federal Social Security Act in effect on~~  
27 ~~January 1, 1999, for any period during the income year or who is a permanently~~  
28 ~~and totally disabled veteran as defined by 38 CFR part IV, who has been a~~  
29 ~~resident of this state for two (2) years or more, and who owns and has resided~~  
30 ~~in a homestead in this state for a period of one (1) year or more, may,~~  
31 ~~subject to the limitations and requirements prescribed in this subchapter,~~  
32 ~~file a claim in the manner provided by this subchapter for a cash refund for~~  
33 ~~ad valorem property taxes paid upon the homestead of the claimant during or~~  
34 ~~after the third year of residency in this state, up to the limits prescribed~~  
35 ~~in § 26-51-607.—~~

36 (b) ~~However, no claim filed pursuant to this subchapter shall be~~

1 allowed to any person who is a recipient of public funds for the payment of  
2 taxes during the period for which the claim is filed.—

3 ~~(c) No claim shall be allowed under the provisions of this subchapter  
4 if the Department of Finance and Administration determines that the claimant  
5 received title to his homestead primarily for the purpose of taking advantage  
6 of the benefits provided by this subchapter.—~~

7 ~~26-51-604. Claims—Filing—Contents.—~~

8 ~~(a) Any person desiring to file a claim for a cash refund under the  
9 provisions of this subchapter shall file the claim with the Department of  
10 Finance and Administration on forms prescribed by that department and shall  
11 furnish such information to substantiate the claim as is provided in this  
12 section, or as may be prescribed by regulation of the department.—~~

13 ~~(b) Claims under this subchapter shall be filed on or before August 15  
14 of the year next following the year in which the homestead ad valorem property  
15 taxes used as a basis for the claim were paid. However, if failure of the  
16 claimant to file the claim within the time prescribed herein is due to serious  
17 illness of the claimant or to some other matter beyond the control of the  
18 claimant, the Director of the Department of Finance and Administration may  
19 permit the filing of the claim at any time within four (4) months after the  
20 deadline prescribed herein for filing the claim.—~~

21 ~~(c) Only one (1) member of a household may make a claim under the  
22 provisions of this subchapter for any particular year.—~~

23 ~~(d) Every person filing a claim under the provisions of this subchapter  
24 shall include in the claim information showing the names of members of the  
25 claimant's household, the amount of the household income as defined in this  
26 subchapter, the address or location of the homestead of the claimant, a  
27 statement of the ad valorem taxes paid on the homestead during the income  
28 year, and a statement that there are no delinquent property taxes on the  
29 homestead, and such other information as may be required by the department to  
30 assure that the claimant is eligible for, and entitled to, benefits under the  
31 provisions of this subchapter.—~~

32 ~~(e) All claims filed under the provisions of this subchapter shall be  
33 made upon forms prescribed and furnished by the department, and all forms  
34 shall include appropriate instructions to claimants for filing a claim under  
35 this subchapter.—~~

36 ~~26-51-605. Claims—Effect of claimant's death.—~~

1           ~~(a) The right to file a claim under the provisions of this subchapter~~  
 2 ~~shall be personal to the claimant or another member of the household and shall~~  
 3 ~~not survive the death of the members of the household.—~~

4           ~~(b) If a claimant dies after having filed a timely claim, the amount~~  
 5 ~~thereof may be disbursed only to another member of the household as defined in~~  
 6 ~~§ 26-51-602.—~~

7           ~~26-51-606. Claims—Approval or denial.—~~

8           ~~(a) The Department of Finance and Administration shall either approve~~  
 9 ~~or deny every claim filed hereunder, either in the amount claimed or in an~~  
 10 ~~amount determined by the department within ninety (90) days after the date the~~  
 11 ~~claims are filed.—~~

12           ~~(b)(1) If the department denies the claim of any claimant or reduces~~  
 13 ~~the amount claimed, it shall so notify the claimant and the claimant may~~  
 14 ~~request a reconsideration of the claim by the department by filing a written~~  
 15 ~~request for reconsideration at any time within thirty (30) days after receipt~~  
 16 ~~of the notice of the decision of the department.—~~

17           ~~(2) Upon receipt of the request for reconsideration of a claim,~~  
 18 ~~the department shall reconsider the claim and notify the claimant of its final~~  
 19 ~~decision within thirty (30) days after the receipt of the request.—~~

20           ~~(c) If the claimant is dissatisfied with the final ruling of the~~  
 21 ~~department regarding his claim, he may appeal the decision to the Pulaski~~  
 22 ~~County Chancery Court or the chancery court of the county in which he resides~~  
 23 ~~in the manner and within the time prescribed for appeals from other~~  
 24 ~~administrative decisions of the Director of the Department of Finance and~~  
 25 ~~Administration.—~~

26           ~~26-51-607. Allowable cash refund—Maximum. [Effective until as provided~~  
 27 ~~by Acts 1997, No. 328, §§ 10 and 11.]~~

28           ~~(a) The amount of any cash refund allowed or made pursuant to the~~  
 29 ~~provision of this subchapter shall be determined as follows:—~~

30           ~~(1) If the household income of the claimant's household was seven~~  
 31 ~~thousand dollars (\$7,000) or less during the income year, the claimant shall~~  
 32 ~~be entitled to file a claim for an amount equal to the ad valorem taxes paid~~  
 33 ~~on the claimant's homestead; however, the maximum refund any claimant may~~  
 34 ~~receive under this subdivision shall be two hundred fifty dollars (\$250);—~~

35           ~~(2) If the household income of the claimant's household is more~~  
 36 ~~than seven thousand dollars (\$7,000) but not more than eight thousand dollars~~

1 ~~(\$8,000) for the income year, the claimant shall be entitled to file a claim~~  
 2 ~~for an amount equal to the ad valorem taxes paid on the claimant's homestead;~~  
 3 ~~however, the maximum refund any claimant may receive under this subdivision~~  
 4 ~~shall be two hundred dollars (\$200);—~~

5 ~~(3) If the household income of the claimant's household is more~~  
 6 ~~than eight thousand dollars (\$8,000) but not more than nine thousand dollars~~  
 7 ~~(\$9,000) for the income year, the claimant shall be entitled to file a claim~~  
 8 ~~for an amount equal to the ad valorem taxes paid on the claimant's homestead;~~  
 9 ~~however, the maximum refund any claimant may receive under this subdivision~~  
 10 ~~shall be one hundred fifty dollars (\$150);—~~

11 ~~(4) If the household income of the claimant's household is more~~  
 12 ~~than nine thousand dollars (\$9,000) but not more than ten thousand dollars~~  
 13 ~~(\$10,000) for the income year, the claimant shall be entitled to file a claim~~  
 14 ~~for an amount equal to the ad valorem taxes paid on the claimant's homestead;~~  
 15 ~~however, the maximum refund any claimant may receive under this subdivision~~  
 16 ~~shall be one hundred dollars (\$ 100);—~~

17 ~~(5) If the household income of the claimant's household is more~~  
 18 ~~than ten thousand dollars (\$10,000) but not more than eleven thousand dollars~~  
 19 ~~(\$11,000) for the income year, the claimant shall be entitled to file a claim~~  
 20 ~~for an amount equal to the ad valorem taxes paid on the claimant's homestead;~~  
 21 ~~however, the maximum refund any claimant may receive under this subdivision~~  
 22 ~~shall be seventy five dollars (\$75.00);—~~

23 ~~(6) If the household income of the claimant's household is more~~  
 24 ~~than eleven thousand dollars (\$11,000) but not more than fifteen thousand~~  
 25 ~~dollars (\$15,000) for the income year, the claimant shall be entitled to file~~  
 26 ~~a claim for an amount equal to the ad valorem taxes paid on the claimant's~~  
 27 ~~homestead; however, the maximum refund any claimant may receive under this~~  
 28 ~~subdivision shall be fifty dollars (\$50.00).—~~

29 ~~(b) The refund shall be paid to the claimant as a cash refund.—~~  
 30 ~~However, no interest shall be allowed on any payment made to a claimant under~~  
 31 ~~the provisions of this subchapter.—~~

32 ~~(c) If a claimant or another member of the household has any~~  
 33 ~~outstanding tax liability to the State of Arkansas, the amount of any claim~~  
 34 ~~otherwise payable under this subchapter, or such portion thereof as is~~  
 35 ~~necessary, shall be applied to the payment of the outstanding tax liability.—~~

36 ~~26-51-607. Allowable cash refund—Maximum. [Effective as provided by~~

1 Acts 1997, No. 328, §§ 10 and 11.]

2 (a) [~~Effective for claims filed for refunds of property taxes paid~~  
3 ~~during calendar year 2000 and during subsequent years.~~] The amount of any cash  
4 refund allowed or made pursuant to the provisions of this subchapter shall be  
5 determined as follows:—

6 (1) ~~If the household income of the claimant's household was ten~~  
7 ~~thousand dollars (\$10,000) or less during the income year, the claimant shall~~  
8 ~~be entitled to file a claim for an amount equal to the ad valorem taxes paid~~  
9 ~~on the claimant's homestead; however, the maximum refund any claimant may~~  
10 ~~receive under this subdivision shall be three hundred twenty five dollars~~  
11 ~~(\$325);—~~

12 (2) ~~If the household income of the claimant's household is more~~  
13 ~~than ten thousand dollars (\$10,000) but not more than fifteen thousand dollars~~  
14 ~~(\$15,000) for the income year, the claimant shall be entitled to file a claim~~  
15 ~~for an amount equal to the ad valorem taxes paid on the claimant's homestead;~~  
16 ~~however, the maximum refund any claimant may receive under this subdivision~~  
17 ~~shall be two hundred twenty five dollars (\$225);—~~

18 (3) ~~If the household income of the claimant's household is more~~  
19 ~~than fifteen thousand dollars (\$15,000) but not more than twenty thousand~~  
20 ~~dollars (\$20,000) for the income year, the claimant shall be entitled to file~~  
21 ~~a claim for an amount equal to the ad valorem taxes paid on the claimant's~~  
22 ~~homestead; however, the maximum refund any claimant may receive under this~~  
23 ~~subdivision shall be one hundred seventy five dollars (\$175);—~~

24 (4) ~~If the household income of the claimant's household is more~~  
25 ~~than twenty thousand dollars (\$20,000) but not more than twenty five thousand~~  
26 ~~dollars (\$25,000) for the income year, the claimant shall be entitled to file~~  
27 ~~a claim for an amount equal to the ad valorem taxes paid on the claimant's~~  
28 ~~homestead; however, the maximum refund any claimant may receive under this~~  
29 ~~subdivision shall be one hundred twenty five dollars (\$125);—~~

30 (5) ~~If the household income of the claimant's household is more~~  
31 ~~than twenty five thousand dollars (\$25,000) but not more than thirty thousand~~  
32 ~~dollars (\$30,000) for the income year, the claimant shall be entitled to file~~  
33 ~~a claim for an amount equal to the ad valorem taxes paid on the claimant's~~  
34 ~~homestead; however, the maximum refund any claimant may receive under this~~  
35 ~~subdivision shall be one hundred dollars (\$100);—~~

36 (6) [~~Effective only for claims filed for refunds of property~~

1 ~~taxes paid during calendar year 1999.] If the household income of the~~  
 2 ~~claimant's household is more than twelve thousand dollars (\$12,000) but not~~  
 3 ~~more than twenty five thousand dollars (\$25,000) for the income year, the~~  
 4 ~~claimant shall be entitled to file a claim for an amount equal to the ad~~  
 5 ~~valorem taxes paid on the claimant's homestead; however, the maximum refund~~  
 6 ~~any claimant may receive under this subdivision shall be one hundred dollars~~  
 7 ~~(\$100).—~~

8 ~~(b) The refund shall be paid to the claimant as a cash refund.—~~  
 9 ~~However, no interest shall be allowed on any payment made to a claimant under~~  
 10 ~~the provisions of this subchapter.—~~

11 ~~(c) If a claimant or another member of the household has any~~  
 12 ~~outstanding tax liability to the State of Arkansas, the amount of any claim~~  
 13 ~~otherwise payable under this subchapter, or such portion thereof as is~~  
 14 ~~necessary, shall be applied to the payment of the outstanding tax liability.—~~

15 ~~26-51-608. Individual Income Tax Withholding Fund—Payment of cash~~  
 16 ~~rebates—Loans.—~~

17 ~~(a) The Individual Income Tax Withholding Fund shall also be used for~~  
 18 ~~the payment of cash rebates to claimants under the provisions of this~~  
 19 ~~subchapter.—~~

20 ~~(b) Of the net general revenues available for distribution each month,~~  
 21 ~~the Treasurer of State shall, before deducting therefrom the three percent~~  
 22 ~~(3%) as provided by law for credit to the Constitutional Officers' Fund and~~  
 23 ~~the State Central Services Fund and before making the percentage distributions~~  
 24 ~~of general revenues as provided by law, deduct therefrom an amount certified~~  
 25 ~~by the Director of the Department of Finance and Administration, acting as the~~  
 26 ~~Chief Fiscal Officer of the State, as being required to pay all cash rebates~~  
 27 ~~which have been paid or approved for payment during the preceding month upon~~  
 28 ~~applications filed as authorized in this subchapter and shall credit the same~~  
 29 ~~to the Individual Income Tax Withholding Fund to be used in paying the cash~~  
 30 ~~rebates which have been approved for payment, or for repaying moneys~~  
 31 ~~temporarily loaned to the fund from the Budget Stabilization Trust Fund for~~  
 32 ~~payment of such rebates.—~~

33 ~~(c) (1) Temporary loans may be made from the Budget Stabilization Trust~~  
 34 ~~Fund to the Individual Income Tax Withholding Fund upon certification of the~~  
 35 ~~amount by the Chief Fiscal Officer of the State, for the purpose of making~~  
 36 ~~moneys available to pay cash rebates to claimants under this subchapter as the~~

1 ~~rebates are filed and approved for payment, but any amounts so loaned shall be~~  
 2 ~~repaid to the Budget Stabilization Trust Fund from the moneys first credited~~  
 3 ~~to the Individual Income Tax Withholding Fund during the month next following~~  
 4 ~~the month in which the loan was made.~~

5 ~~(2) All loans and repayment thereof shall be by transfers upon~~  
 6 ~~the books of the Treasurer of State upon certification of the amounts by the~~  
 7 ~~Chief Fiscal Officer of the State.~~

8  
 9 SECTION 8. Arkansas Code 26-52-302 is amended to read as follows:

10 26-52-302. Additional taxes levied.

11 (a) In addition to the excise tax levied upon the gross proceeds or  
 12 gross receipts derived from all sales by the Arkansas Gross Receipts Act, §  
 13 26-52-101 et seq., there is levied an excise tax of one percent (1%) upon all  
 14 taxable sales of property and services subject to the tax levied in that act.  
 15 This tax shall be collected, reported, and paid in the same manner and at the  
 16 same time as is prescribed by law for the collection, reporting, and payment  
 17 of all other Arkansas gross receipts taxes. In computing gross receipts or  
 18 gross proceeds as defined in § 26-52-103(a)(4), a deduction shall be allowed  
 19 for bad debts resulting from the sale of tangible personal property.

20 (b) In addition to the excise tax levied upon the gross proceeds or  
 21 gross receipts derived from all sales by the Arkansas Gross Receipts Act, §  
 22 26-52-101 et seq., there is hereby levied an excise tax of one-half of one  
 23 percent (.5%) upon all taxable sales of property and services subject to the  
 24 tax levied in that act, and such tax shall be collected, reported, and paid in  
 25 the same manner and at the same time as is prescribed by law for the  
 26 collection, reporting, and payment of all other Arkansas gross receipts taxes.  
 27 Provided that, in computing gross receipts or gross proceeds as defined in §  
 28 26-52-103(a)(4), a deduction shall be allowed for bad debts resulting from the  
 29 sale of tangible personal property.

30 ~~(c)(1) [Effective January 1, 2001, if the following contingencies are~~  
 31 ~~met: (a) The General Assembly refers a constitutional amendment to be approved~~  
 32 ~~during the 2000 general election; (b) The amendment provides for a limitation~~  
 33 ~~on the increase in the assessed value of real property after a county wide~~  
 34 ~~reappraisal; and (c) the amendment is approved.] Beginning January 1, 2001,~~  
 35 ~~there is hereby levied an additional excise tax of one-half of one percent~~  
 36 ~~(0.50%) upon all taxable sales of property and services subject to the tax~~

1 ~~levied by the Arkansas Gross Receipts Act of 1941, as amended, § 26-52-101 et~~  
2 ~~seq.—~~

3 ~~(2) The tax shall be collected, reported, and paid in the same~~  
4 ~~manner and at the same time as is prescribed by the Arkansas Grosds Receipts~~  
5 ~~Act of 1941, as amended, § 26-52-101 et seq., for the collection, reporting,~~  
6 ~~and payment of Arkansas gross receipts taxes.~~

7 (c) (1) Beginning January 1, 2001, there is hereby levied an additional  
8 excise tax of one-half of one percent (0.50%) upon all taxable sales of  
9 property and services subject to the tax levied by the Arkansas Gross Receipts  
10 Act of 1941, as amended, § 26-52-101 et seq.

11 (2) The tax shall be collected, reported, and paid in the same  
12 manner and at the same time as is prescribed by the Arkansas Gross Receipts  
13 Act of 1941, as amended, § 26-52-101 et seq., for the collection, reporting,  
14 and payment of Arkansas gross receipts taxes.

15  
16 SECTION 9. Arkansas Code 26-53-107 is amended to read as follows:

17 26-53-107. Additional taxes levied.

18 (a) In addition to the excise tax levied upon the privilege of storing,  
19 using, distributing, or consuming tangible personal property within this state  
20 by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is levied an  
21 excise tax of one percent (1%) upon all tangible personal property subject to  
22 the tax levied in that act, and the tax shall be collected, reported, and paid  
23 in the same manner and at the same time as is prescribed by law for the  
24 collection, reporting, and payment of state compensating taxes.

25 (b) In addition to the excise tax levied upon the privilege of storing,  
26 using, distributing, or consuming tangible personal property within the state  
27 by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is hereby  
28 levied an excise tax of one-half of one percent (0.50%) upon all tangible  
29 personal property subject to the tax levied in that act, and such tax shall be  
30 collected, reported, and paid in the same manner and at the same time as is  
31 prescribed by law for the collection, reporting, and payment of Arkansas  
32 compensating taxes.

33 ~~(c) (1) [Effective January 1, 2001, if the following contingencies are~~  
34 ~~met: (a) The General Assembly refers a constitutional amendment to be approved~~  
35 ~~during the 2000 general election; (b) The amendment provides for a limitation~~  
36 ~~in the increase in the assessed value of real property after a county wide~~

1 ~~reappraisal; and (c) The amendment is approved.] Beginning January 1, 2001,~~  
 2 ~~there is hereby levied an additional excise tax of one-half of one percent~~  
 3 ~~(0.50%) upon all tangible personal property subject to the tax levied by the~~  
 4 ~~Arkansas Compensating Tax Act of 1949, as amended, § 26-53-101 et seq.~~

5 ~~(2) The tax shall be collected, reported, and paid in the same~~  
 6 ~~manner and at the same time as is prescribed by the Arkansas Compensating Act~~  
 7 ~~of 1949, as amended, § 26-53-101 et seq., for the collection, reporting, and~~  
 8 ~~payment of Arkansas compensating taxes.~~

9 (c) (1) Beginning January 1, 2001, there is hereby levied an additional  
 10 excise tax of one-half of one percent (0.50%) upon all tangible personal  
 11 property subject to the tax levied by the Arkansas Compensating Tax Act of  
 12 1949, as amended, § 26-53-101 et seq.

13 (2) The tax shall be collected, reported, and paid in the same  
 14 manner and at the same time as is prescribed by the Arkansas Compensating Tax  
 15 Act of 1949, as amended, § 26-53-101 et seq., for the collection, reporting,  
 16 and payment of Arkansas compensating taxes.

17  
 18 SECTION 10. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO  
 19 CODIFY THIS SECTION.] Effective date. The provisions of Section 7 shall  
 20 become effective January 1, 2002. Claims for refund may be filed in 2001  
 21 pursuant to Arkansas Code 26-51-601 through 26-51-608 for property taxes paid  
 22 during calendar year 2000 for property assessed in calendar year 1999.

23  
 24 SECTION 11. EMERGENCY CLAUSE. It is found and determined by the  
 25 General Assembly of the State of Arkansas that Amendment 79 to the Arkansas  
 26 Constitution requires the General Assembly to provide for a property tax  
 27 credit of not less than \$300 for each homestead; that providing such a  
 28 property tax credit results in a significant reduction in revenues for funding  
 29 county services and public schools; that without an alternative source of  
 30 funding counties and public schools cannot operate effectively; that an  
 31 increase in the state sales and use tax provides a source of funding for  
 32 counties and public schools; that this act will accomplish the purposes of  
 33 Amendment 79 in providing a property tax credit and source of funding. It is  
 34 necessary that this act become effective immediately in order to facilitate  
 35 the administration of the property tax credit and to generate sufficient  
 36 revenues to fully fund the credit. Therefore, an emergency is declared to

1 exist and Sections 1, 2, 3, 4, 5, 6, 8 and 9 of this act being immediately  
2 necessary for the preservation of the public peace, health and safety shall  
3 become effective on the date of its approval by the Governor. If the bill is  
4 neither approved nor vetoed by the Governor, it shall become effective on the  
5 expiration of the period of time during which the Governor may veto the bill.  
6 If the bill is vetoed by the Governor and the veto is overridden, it shall  
7 become effective on the date the last house overrides the veto.

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9 APPROVED: 12/15/2000  
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