

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Representative B. Wood**

**A BILL ACT 621 OF 1991**  
**HOUSE BILL 1593**

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6  
7 **For An Act To Be Entitled**

8 "AN ACT TO PROVIDE FOR THE DISTRIBUTION OF UNIDENTIFIED  
9 LOCAL SALES AND USE TAXES COLLECTED BY OUT-OF-STATE  
10 VENDORS; AND FOR OTHER PURPOSES."

11

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

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14 SECTION 1. Ark. Code Ann. §26-74-221(a) is amended to read as follows:

15 "(a) (1) There is created a trust fund for the remittance of local  
16 sales and use taxes which shall be known as The Local Sales and Use Tax Trust  
17 Fund.

18 (2) (A) There is also created a trust fund which shall be known as the  
19 Identification Pending Trust Fund for Local Sales and Use Taxes.

20 (B) (i) Money reported as local sales and use taxes which was  
21 collected in local taxing jurisdictions which are not immediately identifiable  
22 and money collected in local jurisdictions which have no tax shall be  
23 deposited in the Identification Pending Trust Fund for Local Sales and Use  
24 Taxes.

25 (ii) When a local tax jurisdiction is identified for money  
26 which has been deposited in the Identification Pending Trust Fund for Local  
27 Sales and Use Taxes, the money shall be transferred to the Local Sales and Use  
28 Tax Trust Fund.

29 (iii) When the total amount in the Identification Pending  
30 Trust Fund for Local Sales and Use Taxes exceeds fifty thousand dollars  
31 (\$50,000), the State Treasurer shall transfer any amount in excess of fifty  
32 thousand dollars (\$50,000) to general revenues.

33 (C) (i) Money reported as local sales and use taxes, which was  
34 collected by an out-of-state vendor and which is not identifiable, shall be  
35 deposited in the Identification Pending Trust Fund for Local Sales and Use  
36 Taxes. Any such funds so deposited shall not be included for computation of

1 transfer to general revenue in (B) above.

2 (ii) The State Treasurer shall distribute unidentified local sales  
3 and use taxes collected by out-of-state vendors to the county treasurers and  
4 city treasurers as determined by their proportionate share of distribution  
5 from the Local Sales and Use Tax Trust Fund on a monthly basis."

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7 SECTION 2. Ark. Code Ann. §26-74-317(a) is amended to read as follows:

8 "(a) (1) There is created a trust fund for the remittance of local  
9 sales and use taxes which shall be known as the Local Sales and Use Tax Trust  
10 Fund.

11 (2) (A) There is also created a trust fund which shall be known  
12 as the Identification Pending Trust Fund for Local Sales and Use Taxes.

13 (B) (i) Money reported as local sales and use taxes which  
14 was collected in local taxing jurisdictions which are not immediately  
15 identifiable and money collected in local jurisdictions which have no tax  
16 shall be deposited in the Identification Pending Trust Fund for Local Sales  
17 and Use Taxes.

18 (ii) When a local tax jurisdiction is identified for  
19 money which has been deposited in the Identification Pending Trust Fund for  
20 Local Sales and Use Taxes, the money shall be transferred to the Local Sales  
21 and Use Tax Trust Fund.

22 (iii) When the total amount in the Identification  
23 Pending Trust Fund for Local Sales and Use Taxes exceeds fifty thousand  
24 dollars (\$50,000), the State Treasurer shall transfer any amount in excess of  
25 fifty thousand dollars (\$50,000) to general revenues.

26 (C) (i) Money reported as local sales and use taxes, which  
27 was collected by an out-of-state vendor and which is not identifiable, shall  
28 be deposited in the Identification Pending Trust Fund for Local Sales and Use  
29 Taxes. Any such funds so deposited shall not be included for computation of  
30 transfer to general revenue in (B) above.

31 (ii) The State Treasurer shall distribute unidentified  
32 local sales and use taxes collected by out-of-state vendors to the county  
33 treasurers and city treasurers as determined by their proportionate share of  
34 distribution from the Local Sales and Use Tax Trust Fund on a monthly basis."

35

1 SECTION 3. Ark. Code Ann. §26-75-223(a) is amended to read as follows:

2 "(a) (1) There is created a trust fund for the remittance of local  
3 sales and use taxes which shall be known as The Local Sales and Use Tax Trust  
4 Fund.

5 (2) (A) There is also created a trust fund which shall be known  
6 as the Identification Pending Trust Fund for Local Sales and Use Taxes.

7 (B) (i) Money reported as local sales and use taxes which  
8 was collected in local taxing jurisdictions which are not immediately  
9 identifiable and money collected in local jurisdictions which have no tax  
10 shall be deposited in the Identification Pending Trust Fund for Local Sales  
11 and Use Taxes.

12 (ii) When a local tax jurisdiction is identified for  
13 money which has been deposited in the Identification Pending Trust Fund for  
14 Local Sales and Use Taxes, the money shall be transferred to the Local Sales  
15 and Use Tax Trust Fund.

16 (iii) When the total amount in the Identification  
17 Pending Trust Fund for Local Sales and Use Taxes exceeds fifty thousand  
18 dollars (\$50,000), the State Treasurer shall transfer any amount in excess of  
19 fifty thousand dollars (\$50,000) to general revenues.

20 (C) (i) Money reported as local sales and use taxes which  
21 was collected by an out-of-state vendor and which is not identifiable, shall  
22 be deposited in the Identification Pending Trust Fund for Local Sales and Use  
23 Taxes. Any such funds so deposited shall not be included for computation of  
24 transfer to general revenue in (B) above.

25 (ii) The State Treasurer shall distribute unidentified  
26 local sales and use taxes collected by out-of-state vendors to the county  
27 treasurers and city treasurers as determined by their proportionate share of  
28 distribution from the Local Sales and Use Tax Trust Fund on a monthly basis."

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30 SECTION 4. Ark. Code Ann. §26-75-318(a) is amended to read as follows:

31 "(a) (1) There is created a trust fund for the remittance of local  
32 sales and use taxes which shall be known as the Local Sales and Use Tax Trust  
33 Fund.

34 (2) (A) There is also created a trust fund which shall be known  
35 as the Identification Pending Trust Fund for Local Sales and Use Taxes.

1 (B) (i) Money reported as local sales and use taxes which  
2 was collected in local taxing jurisdictions which are not immediately  
3 identifiable and money collected in local jurisdictions which have no tax  
4 shall be deposited in the Identification Pending Trust Fund for Local Sales  
5 and Use Taxes.

6 (ii) When a local tax jurisdiction is identified for  
7 money which has been deposited in the Identification Pending Trust Fund for  
8 Local Sales and Use Taxes, the money shall be transferred to the Local Sales  
9 and Use Tax Trust Fund.

10 (iii) When the total amount in the Identification  
11 Pending Trust Fund for Local Sales and Use Taxes exceeds fifty thousand  
12 dollars (\$50,000), the State Treasurer shall transfer any amount in excess of  
13 fifty thousand dollars (\$50,000) to general revenues.

14 (C) (i) Money reported as local sales and use taxes which  
15 was collected by an out-of-state vendor and which is not identifiable, shall  
16 be deposited in the Identification Pending Trust Fund for Local Sales and Use  
17 Taxes. Any such funds so deposited shall not be included for computation of  
18 transfer to general revenue in (B) above.

19 (ii) The State Treasurer shall distribute unidentified  
20 local sales and use taxes collected by out-of-state vendors to the county  
21 treasurers and city treasurers as determined by their proportionate share of  
22 distribution from the Local Sales and Use Tax Trust Fund on a monthly basis."  
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24 SECTION 5. All provisions of this act of a general and permanent nature  
25 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
26 Revision Commissioner shall incorporate the same in the Code.

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28 SECTION 6. If any provision of this act or the application thereof to  
29 any person or circumstance is ruled invalid, such invalidity shall not affect  
30 other provisions or applications of the act which can be given effect without  
31 the invalid provision or application, and to this end the provisions of this  
32 act are declared to be severable.

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34 SECTION 7. All laws and parts of laws in conflict with this act are  
35 hereby repealed.

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SECTION 8. It is hereby found and determined that cities and counties are losing needed tax revenues because of the inability to identify taxes collected by out of state vendors to the appropriate taxing jurisdiction; that this Act is designed to remedy this problem by providing a mechanism to fairly identify and distribute these taxes to the cities and counties. Therefore, an emergency is hereby declared to exist and this Act, being necessary for the public safety, health and welfare shall be in full force and effect on and after the date of its passage and approval.

APPROVED: 3-19-91