

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/9/01 S3/28/01

A Bill

Act 1560 of 2001
HOUSE BILL 2328

5 By: Representative Teague
6 By: Senator Hill
7
8

For An Act To Be Entitled

9
10 AN ACT TO AMEND ARKANSAS CODE TITLE 26, CHAPTER
11 74, SUBCHAPTERS 2 AND 3 TO LIMIT THE AMOUNT
12 COLLECTED PER SINGLE TRANSACTION FROM A COUNTY
13 SALES OR USE TAX LEVIED UNDER SUBCHAPTER 3; TO
14 PROVIDE A METHOD TO COMPUTE THE COUNTY USE TAX ON
15 PROPERTY BROUGHT INTO THE STATE; TO CLARIFY THAT
16 EACH SUCH SUBCHAPTER IS SUPPLEMENTAL TO OTHER
17 STATUTORY PROVISIONS; AND TO PROVIDE FOR THE
18 ENFORCEMENT OF A COUNTY SALES OR USE TAX LEVIED
19 UNDER SUBCHAPTER 3; DECLARING AN EMERGENCY; AND
20 FOR OTHER PURPOSES.
21

Subtitle

22
23 TO AMEND ARKANSAS CODE TITLE 26, CHAPTER
24 74, SUBCHAPTERS 2 AND 3 RELATING TO
25 COUNTY-WIDE SALES AND USE TAXES.
26
27

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
29

30 SECTION 7. Arkansas Code Title 26, Chapter 74, Subchapter 3 is amended
31 to add an additional section to read as follows:

32 26-74-320. Maximum tax limitation.

33 (a)(1) Any county general sales or use tax levied pursuant to this
34 subchapter shall be levied and collected only on the first two thousand five
35 hundred dollars (\$2,500) of gross receipts, gross proceeds, or sales price
36 from a single transaction, and vendors shall be responsible for collecting

1 and remitting the tax only on the first two thousand five hundred dollars
2 (\$2,500) of gross receipts, gross proceeds, or sales price from a single
3 transaction.

4 (2)(A) Each vendor who is liable for one (1) or more county sales
5 or use taxes shall report a combined county sales tax and a combined county
6 use tax on his sales and use tax report.

7 (B) The combined county sales tax is equal to the sum of
8 all sales taxes levied by a county under this subchapter or any other
9 provision of the Arkansas Code.

10 (C) The combined county use tax is equal to the sum of all
11 use taxes levied by a county under this subchapter or any other provision of
12 the Arkansas Code.

13 (3) This provision applies only to taxes collected by the
14 Director of the Department of Finance and Administration.

15 (b)(1) The term "single transaction", as used in this section, shall be
16 defined by ordinance.

17 (2)(A) Every county ordinance adopted after January 1, 1998,
18 which calls for an election to levy a local sales and use tax authorized by
19 this subchapter or any other provision of the Arkansas Code shall contain a
20 definition of the term "single transaction" which definition shall amend all
21 other previous ordinances defining "single transaction".

22 (B) Provided, however, any county which adopts an ordinance
23 which calls for an election to levy a local sales and use tax authorized by
24 this subchapter or any other provision of the Arkansas Code may comply with
25 this provision by adopting a definition of the term "single transaction"
26 prior to the commencement of the collection of the local sales and use tax.

27 (3) The most recent definition of "single transaction" adopted
28 prior to January 1, 1998 shall apply to and amend all previous local sales
29 and use tax ordinances.

30 (4) It is the intent of this provision to require each county
31 which levies a local sales and use tax to adopt a uniform definition of the
32 term "single transaction" for all taxes levied by the county.

33 (5) This provision is limited to ordinances levying local sales
34 and use taxes collected by the Department of Finance and Administration.

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36 SECTION 2. Arkansas Code Title 26, Chapter 74, Subchapter 3 is amended

1 to add an additional section to read as follows:

2 26-74-321. Procedures and penalties for enforcement.

3 (a) The procedures and penalties used by the director in enforcing any
4 local tax imposed pursuant to this subchapter shall be the same as for the
5 gross receipts tax and compensating tax, as set out in the Arkansas Tax
6 Procedure Act, beginning at § 26-18-101, except as specifically set out in
7 this subchapter.

8 (b) Where property is seized by the director under the provisions of
9 any law authorizing seizure of property of a taxpayer who is delinquent in
10 payment of the taxes imposed by the Arkansas Gross Receipts Act, beginning at
11 § 26-52-101, or Arkansas Compensating Tax Act, beginning at § 26-53-101, and
12 where the taxpayer is also delinquent in payment of any tax imposed by this
13 subchapter, the director shall sell sufficient property to pay the delinquent
14 taxes and penalty due to any city or county under this subchapter in addition
15 to that required to pay any amount due the state under these statutes. The
16 proceeds from such sale shall first be applied to all sums due to the state,
17 and the remainder, if any, shall be applied to all sums due the city or
18 county.

19
20 SECTION 3. Arkansas Code 26-74-201 is amended to add an additional
21 subsection to read as follows:

22 (c) This subchapter is intended to supplement and be levying authority
23 in addition to all other statutes authorizing county-wide sales and use
24 taxes. Collections of a tax levied hereby may be used to secure the payment
25 of bonds or for any purpose for which the general fund of a municipality or
26 county may be used, or a combination thereof, except as may be expressly
27 limited by the ballot for the election at which the tax was approved or by
28 the ballot for a subsequent election on the purposes for the tax.

29
30 SECTION 4. Arkansas Code 26-74-301 is amended to add an additional
31 subsection to read as follows:

32 (c) This subchapter is intended to supplement and be levying authority
33 in addition to all other statutes authorizing county-wide sales and use
34 taxes. Collections of a tax levied hereby may be used to secure the payment
35 of bonds or for any purpose for which the general fund of a municipality or
36 county may be used or a combination thereof, except as may be expressly

1 limited by the ballot for the election at which the tax was approved or by
2 the ballot for a subsequent election on the purposes for the tax.

3
4 SECTION 5. Arkansas Code 26-74-207(a) is amended to read as follows:

5 (a)(1) The county quorum courts may call an election for the levy of a
6 county-wide sales and use tax in the amount of one-eighth of one percent
7 (.125%), one-fourth of one percent (0.25%), one-half of one percent (0.50%),
8 three-fourths of one percent (0.75%), ~~one~~ one percent (1%), or any combination
9 thereof.

10 (2) The election shall be held within one hundred twenty (120)
11 days of the ordinance calling the election.

12 (3) Each tax shall be adopted by ordinance and with approval of
13 the voters of the county in accordance with this subchapter.

14
15 SECTION 6. Arkansas Code 26-74-307(a) is amended to read as follows:

16 (a)(1) The county quorum courts may call an election for the levy of a
17 countywide sales tax in an amount of one-eighth of one percent (.125%), one-
18 fourth of one percent (.25%), one-half of one percent (0.5%), three-fourths
19 of one percent (.75%), ~~one~~ one percent (1%), or any combination thereof.

20 (2) The election shall be held within one hundred twenty (120)
21 days of the ordinance calling for the election.

22 (3) Each tax shall be adopted by ordinance and with approval of
23 the voters of the county in accordance with this subchapter.

24
25 SECTION 7. All laws and parts of laws in conflict herewith are hereby
26 repealed to the extent of such conflict.

27
28 SECTION 8. EMERGENCY CLAUSE. It is found and determined by the
29 General Assembly that legislation is needed for the collection and
30 enforcement of certain county-wide sales and use taxes and that the immediate
31 passage of this act is necessary for the Department of Finance and
32 Administration to fulfill its duties with respect to such taxes. Therefore,
33 an emergency is declared to exist and this act being immediately necessary
34 for the preservation of the public peace, health and safety shall become
35 effective on the date of its approval by the Governor. If the bill is
36 neither approved nor vetoed by the Governor, it shall become effective on the

1 expiration of the period of time during which the Governor may veto the bill.
2 If the bill is vetoed by the Governor and the veto is overridden, it shall
3 become effective on the date the last house overrides the veto.

4 */s/ Teague*

7 APPROVED: 4/12/2001

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