

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1480

Bill Subtitle: TO AMEND THE DEFINITION OF "ECONOMIC DEVELOPMENT PROJECT" UNDER THE LOCAL SALES AND USE TAX ECONOMIC DEVELOPMENT PROJECT FUNDING ACT.

Basic Change :

Sponsor: Representative Ladyman

The proposal would amend the "Local Sales and Use Tax Economic Development Project Funding Act", Ark. Code Ann. § 26-82-101 et seq. Under the Act, an approved economic development project for which local city and county sales taxes are being levied, must have a cost-to-benefit ratio of two (2) or greater as determined by the Arkansas Economic Development Commission. The bill would amend that provision and allow the levy of a local city or county sales tax if the project has a positive benefit-to-cost ratio to the state.

Revenue Impact :

None.

Taxpayer Impact :

None.

Resources Required :

None.

Time Required :

None.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

HB1480 amends one provision of existing law to lower the cost-to-benefit ratio required to be shown by an economic development project in order for a local government to levy a local sales and use tax to provide funding for the project.