

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: H2/17/99

A Bill

Act 623 of 1999
HOUSE BILL 1417

5 By: Representatives Sheppard, Luker, Courtway, R. Smith, T. Thomas, Hausam, Madison, *King*
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For An Act To Be Entitled

9 "AN ACT TO CREATE THE ARKANSAS SALES TAX ADVISORY
10 COMMITTEE; AND FOR OTHER PURPOSES."

Subtitle

13 "TO CREATE THE ARKANSAS SALES TAX
14 ADVISORY COMMITTEE."

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 WHEREAS, the Arkansas Gross Receipts Tax was first levied by Act 386 of
20 1941 on the gross proceeds or gross receipts derived from the sales of various
21 tangible personal property and services in Arkansas; and

22 WHEREAS, the Arkansas Gross Receipts Tax was originally levied at three
23 percent (3%) and has increased over time and may continue to increase in the
24 future; and

25 WHEREAS, the Arkansas Gross Receipts and Compensating Use Taxes make up
26 the single largest element of the general revenue tax base for the Arkansas
27 state government; and

28 WHEREAS, the Arkansas Gross Receipts Tax law does not tax various kinds
29 of services, does not extend to a multitude of products and specific sales
30 transactions, and, over the years, an insurmountable number of specific types
31 of specialized and enumerated tax exemptions have been granted.
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33 SECTION 1. (a) There is created the Arkansas Sales Tax Advisory
34 Committee which shall consist of nine (9) members appointed as follows:

35 (1) There shall be three (3) members of the Committee appointed by
36 the Governor.

1 (2) There shall be three (3) members appointed by the President
2 Pro Tempore of the Senate and three (3) members appointed by the Speaker of
3 the House of Representatives. The members appointed by the President Pro
4 Tempore and the Speaker of the House shall be residents of the State of
5 Arkansas.

6 (b) Members of the Committee shall not be entitled to compensation for
7 their services but may receive expense reimbursement in accordance with
8 Arkansas Code §25-16-902 to be paid by the Arkansas Legislative Council.

9 (c) Legislative members of the Committee, if any, shall receive, in
10 lieu of reimbursement for meals, lodging and travel, the same per diem and
11 mileage allowance for each day of attending meetings of the Committee as is
12 authorized by law for attending meetings of the interim Committees of the
13 General Assembly and shall be paid from funds appropriated for that purpose.

14 (d) The Legislative Council shall provide necessary staff to assist the
15 Committee with the range and diversity of its charge.

16 (e) The Committee shall hold its first meeting within thirty (30) days
17 after its appointment to organize as necessary to carry out its purposes as
18 prescribed by this act. The Governor shall designate a person on the
19 Committee to call and preside at the first meeting.

20 (f) A majority of the members shall constitute a quorum for the
21 transaction of business.

22 (g) The Committee shall select by majority vote one (1) of its members
23 to serve as a chairperson and one (1) to serve as vice chairperson.

24 (h) The Committee shall meet at least quarterly. Special meetings may
25 be called by the chair or as provided by the rules of the Committee.

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27 SECTION 2. (a) The Arkansas Sales Tax Advisory Committee shall review
28 and study the tax policy and tax equity aspects of the Arkansas Gross Receipts
29 Tax, the revenue base for the tax, and the many varied exclusions and
30 exemptions to the tax to determine if the tax base should be expanded and the
31 exclusions and exemptions should be removed or modified.

32 (b) The Committee shall prepare and submit to the Governor and the
33 House and Senate Revenue and Taxation Committees on or before June 30, 2000, a
34 comprehensive report concerning the activities undertaken by the Committee,
35 any recommendations for legislative proposals, other pertinent information
36 which, in the opinion of the Committee, will indicate the activities conducted

1 by the Committee, and additional information which may be requested by the
2 Governor or the House or Senate Revenue and Taxation Committees.

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4 SECTION 3. The provisions of this act will expire on December 31, 2000.

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6 SECTION 4. All provisions of this act of a general and permanent nature
7 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
8 Revision Commission shall incorporate the same in the Code.

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10 SECTION 5. If any provision of this act or the application thereof to
11 any person or circumstance is held invalid, such invalidity shall not affect
12 other provisions or applications of the act which can be given effect without
13 the invalid provision or application, and to this end the provisions of this
14 act are declared to be severable.

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16 SECTION 6. All laws and parts of laws in conflict with this act are
17 hereby repealed.

18 */s/ Sheppard, et al*

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21 APPROVED: 3/15/1999
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