

Department of Finance and Administration

Legislative Impact Statement

Bill: SB839

Bill Subtitle: TO AMEND THE DISTRIBUTION OF CERTAIN REAL PROPERTY TRANSFER TAX REVENUES; AND TO PROVIDE A SOURCE OF FUNDING FOR THE U.S. MARSHALS MUSEUM.

Basic Change : Sponsor: Senator Files

The proposal will amend current law regarding the distribution of Real Property Transfer Tax Revenues (deed stamps) to fund the U.S. Marshals Museum. The proposal would amend the disposition of the \$2.20 portion of \$3.30 tax levied per one thousand dollars of consideration on real property transfers. Under current law, 80% of the revenue from the \$2.20 portion is credited to the Arkansas Natural and Cultural Resources Grants and Trust Fund and managed by the Arkansas Natural and Cultural Resources Council for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects. The proposal would amend the distribution to provide that of the tax collected, 1½% of the funds would first be credited to for the U.S. Marshall's Museum. The remaining amount would continue the current distribution Natural and Cultural Resources Grants and Trust Fund. The proposal would be effective 90 days after final adjournment of the 90th General Assembly.

Revenue Impact :

+\$260,000 Annual Revenue for the U.S. Marshall's Museum

-\$260,000 Annual Loss to the Arkansas Natural and Cultural Resources Grants and Trust Fund

[Estimate based on 2014 Actual Real Property Transfer Tax Collections]

Taxpayer Impact :

None

Resources Required :

None

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

This proposal will require modifications to the state's tax system to allow for the new distribution method of funds collected for this tax type.

Other Comments :

The proposal does not specify the fund to be used for the deposit of the tax collections that will benefit the U.S. Marshall's Museum..

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Legal Analysis :

SB839 seeks to amend existing statutory law in order to provide funding for the creation of a U.S. Marshals Museum. Specifically, the SB839 proposes to add a subsection to § 15-12-103(b)(1) requiring that a percentage of real property transfer tax revenues, levied pursuant to § 26-60-105(b), be credited to and distributed by the DFA "for the construction, salaries, and operation of the U.S. Marshals Museum to promote tourism statewide."

As § 15-12-103(b)(1) currently reads, real property transfer tax revenues are first deposited by the Director of the DFA into the State Treasury. Three percent (3%) is then deducted for distribution to certain statutorily defined funds. Eighty percent (80%) of the net amount remaining is credited to the Arkansas Natural and Cultural Resources Grants and Trust Fund and the remaining net amount is allocated to other funds.

SB839 affects the eighty percent (80%) currently allocated to the Arkansas Natural and Cultural Resources Grants and Trust Fund. In particular, SB839 seeks to amend § 15-12-103(b)(1) by adding a subsection that would require that one and five-tenths percent (1.5%) of the eighty percent (80%) be credited to the DFA for the creation of a U.S. Marshals Museum. The proposed amendment does not conflict with other provisions in the statute or other state laws.