

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HJR1014**

**Bill Subtitle: AN AMENDMENT TO THE ARKANSAS CONSTITUTION CONCERNING THE INCREASE OF THE RATES FOR SALES AND USE TAXES.**

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### **Basic Change :**

**Sponsor: A. Mayberry**

The House Joint Resolution proposes an amendment to the Arkansas Constitution that would limit changes to the State's sales and use tax laws by requiring any change in the tax rates to be approved by the electors of the state voting on proposed rate changes or, in case of emergencies, by the vote of two-thirds (2/3) of the members elected to the Arkansas House of Representatives and the Arkansas Senate. The current provisions of the Arkansas Constitution do not limit changes in the sales and use tax rates and the rates may be changed by majority vote of the members of the General Assembly.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

None.

### **Resources Required :**

None.

### **Time Required :**

None.

### **Procedural Changes :**

None.

### **Other Comments :**

None.

### **Legal Analysis :**

This bill will require a vote of the people or, in the case of an emergency, a 2/3 vote of each house of the General Assembly to increase the rate for sales and use taxes now levied. The Arkansas Supreme Court has previously interpreted the "now levied" language to limit the application of the amendment to sales and use taxes levied at the time the amendment is approved by the people. New tax types will not be subject to the limitations provided by this proposed constitutional amendment.