

2 State of Arkansas
3 89th General Assembly
4 Fiscal Session, 2014

A Bill

DRAFT GAR/GAR
SENATE BILL

5
6 By: Senator B. King

7 Filed with: Arkansas Legislative Council
8 pursuant to A.C.A. §10-3-217.

9 For An Act To Be Entitled

10 AN ACT TO DEDICATE THE SALES AND USE TAX REVENUE
11 DERIVED FROM THE SALES OF NEW AND USED VEHICLES IN
12 PART FOR THE MAINTENANCE, EMERGENCY REPAIRS,
13 CONSTRUCTION, AND RECONSTRUCTION OF HIGHWAYS, ROADS,
14 STREETS, BRIDGES, AND THEIR EXTENSIONS LOCATED WITHIN
15 THE STATE; AND FOR OTHER PURPOSES.

16 17 18 Subtitle

19 TO DEDICATE SALES AND USE TAX REVENUE
20 FROM THE SALES OF NEW AND USED VEHICLES
21 IN PART FOR ROADWAY MAINTENANCE,
22 EMERGENCY REPAIRS, CONSTRUCTION, AND
23 RECONSTRUCTION.

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25
26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

27
28 SECTION 1. Arkansas Code § 26-52-510, concerning the payment of sales
29 tax on a motor vehicle, is amended to add new subsections to read as follows:

30 (h)(1) Beginning the first day of September following the issuance of
31 an annual report certified to the Chief Fiscal Officer of the State by the
32 Treasurer of State in which the gross collection of general revenue for sales
33 and use tax exceeds two billion two hundred fifty million dollars
34 (\$2,250,000,000), the Chief Fiscal Officer of the State shall determine as a
35 monthly allocation an amount equivalent to the percentages stated in
36 subsection (i) of this section of the total net general revenues enumerated

1 in § 19-6-201(1) and (2) that were collected as sales and use tax under § 26-
2 52-301, § 26-52-302(a), § 26-52-302(b)(1), §§ 26-52-303, 26-52-607, § 26-53-
3 106, and § 26-53-107(a), and § 26-53-107(b)(1) on the sale of new or used
4 motor vehicles, trailers, or semitrailers required to be licensed in this
5 state.

6 (2) After making the deductions required under § 19-5-
7 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of
8 the State shall certify the allocation determined under subdivision (h)(1) of
9 this section to the Treasurer of State, who shall transfer the certified
10 allocation as follows:

11 (A)(i) Seventy percent (70%) credited to the State Highway
12 and Transportation Department Fund, which shall be used for the construction,
13 reconstruction, emergency repairs, and maintenance of highways, roads,
14 streets, bridges, and extensions of highways, roads, streets, and bridges
15 located within the state.

16 (ii) "Emergency repairs" includes without limitation
17 necessary maintenance and repairs due to inclement weather;

18 (B) Fifteen percent (15%) credited to the County Aid Fund,
19 which may be expended on any legitimate county purpose and is not limited to
20 expenditures for highway-related purposes; and

21 (C) Fifteen percent (15%) credited to the Municipal Aid
22 Fund, which may be expended on any legitimate municipal purpose and is not
23 limited to expenditures for highway-related purposes.

24 (i) In making a determination under subsection (h) of this section,
25 the Chief Fiscal Officer of the State shall use the following percentages:

26 (1) Beginning September 1 of the first year, ten percent (10%);

27 (2) Beginning September 1 of the second year in which an
28 increase is allowed under subsection (j) of this section, twenty percent
29 (20%);

30 (3) Beginning September 1 of the third year in which an increase
31 is allowed under subsection (j) of this section, thirty percent (30%);

32 (4) Beginning September 1 of the fourth year in which an
33 increase is allowed under subsection (j) of this section, forty percent
34 (40%);

35 (5) Beginning September 1 of the fifth year in which an increase
36 is allowed under subsection (j) of this section, fifty percent (50%);

1 (6) Beginning September 1 of the sixth year in which an increase
2 is allowed under subsection (j) of this section, sixty percent (60%);

3 (7) Beginning September 1 of the seventh year in which an
4 increase is allowed under subsection (j) of this section, seventy percent
5 (70%);

6 (8) Beginning September 1 of the eighth year in which an
7 increase is allowed under subsection (j) of this section, eighty percent
8 (80%);

9 (9) Beginning September 1 of the ninth year in which an increase
10 is allowed under subsection (j) of this section, ninety percent (90%); and

11 (10) Beginning September 1 of the tenth year in which an
12 increase is allowed under subsection (j) of this section and thereafter, one
13 hundred percent (100%).

14 (j)(1) After the Treasurer of State certifies an annual report to the
15 Chief Fiscal Officer of the State under subdivision (h)(1) of this section,
16 the Chief Fiscal Officer of the State shall determine, within fifteen (15)
17 days after the end of each fiscal year, whether the total gross general
18 revenues for the closing fiscal year increased by at least three percent (3%)
19 over the total gross general revenues for the fiscal year before the closing
20 fiscal year.

21 (2) If the Chief Fiscal Officer of the State determines under
22 subdivision (j)(1) of this section that the total gross general revenues for
23 the closing fiscal year:

24 (A) Increased by at least three percent (3%) over the
25 total gross general revenues for the fiscal year before the closing fiscal
26 year, the percentage used under subsection (i) of this section shall increase
27 as stated under subsection (i) of this section; or

28 (B) Did not increase by at least three percent (3%) over
29 the total gross general revenues for the fiscal year before the closing
30 fiscal year, the percentage used under subsection (i) of this section shall:

31 (i) Not increase on September 1 as stated in
32 subsection (i); and

33 (ii) Remain the same until the Chief Fiscal Officer
34 of the State determines that the total gross general revenues for a closing
35 fiscal year increased by at least three percent (3%) over the total gross
36 general revenues for the fiscal year before the closing fiscal year.

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2 SECTION 2. Arkansas Code § 26-53-126, concerning the payment of use
3 tax on motor vehicles, trailers, or semitrailers, is amended to add new
4 subsections to read as follows:

5 (g)(1) Beginning the first day of September following the issuance of
6 an annual report certified to the Chief Fiscal Officer of the State by the
7 Treasurer of State in which the gross collection of general revenue for sales
8 and use tax exceeds two billion two hundred fifty million dollars
9 (\$2,250,000,000), the Chief Fiscal Officer of the State shall determine as a
10 monthly allocation an amount equivalent to the percentages stated in
11 subsection (h) of this section of the total net general revenues enumerated
12 in § 19-6-201(1) and (2) that were collected as sales and use tax under § 26-
13 52-301, § 26-52-302(a), § 26-52-302(b)(1), §§ 26-52-303, 26-52-607, § 26-53-
14 106, and § 26-53-107(a), and § 26-53-107(b)(1) on the sale of new or used
15 motor vehicles, trailers, or semitrailers required to be licensed in this
16 state.

17 (2) After making the deductions required under § 19-5-
18 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of
19 the State shall certify the allocation determined under subdivision (g)(1) of
20 this section to the Treasurer of State, who shall transfer the certified
21 allocation as follows:

22 (A)(i) Seventy percent (70%) credited to the State Highway
23 and Transportation Department Fund, which shall be used for the construction,
24 reconstruction, emergency repairs, and maintenance of highways, roads,
25 streets, bridges, and extensions of highways, roads, streets, and bridges
26 located within the state.

27 (ii) "Emergency repairs" includes without limitation
28 necessary maintenance and repairs due to inclement weather;

29 (B) Fifteen percent (15%) credited to the County Aid Fund,
30 which may be expended on any legitimate county purpose and is not limited to
31 expenditures for highway-related purposes; and

32 (C) Fifteen percent (15%) credited to the Municipal Aid
33 Fund, which may be expended on any legitimate municipal purpose and is not
34 limited to expenditures for highway-related purposes.

35 (h) In making a determination under subsection (g) of this section,
36 the Chief Fiscal Officer of the State shall use the following percentages:

1 (1) Beginning September 1 of the first year, ten percent (10%);

2 (2) Beginning September 1 of the second year in which an
3 increase is allowed under subsection (i) of this section, twenty percent
4 (20%);

5 (3) Beginning September 1 of the third year in which an increase
6 is allowed under subsection (i) of this section, thirty percent (30%);

7 (4) Beginning September 1 of the fourth year in which an
8 increase is allowed under subsection (i) of this section, forty percent
9 (40%);

10 (5) Beginning September 1 of the fifth year in which an increase
11 is allowed under subsection (i) of this section, fifty percent (50%);

12 (6) Beginning September 1 of the sixth year in which an increase
13 is allowed under subsection (i) of this section, sixty percent (60%);

14 (7) Beginning September 1 of the seventh year in which an
15 increase is allowed under subsection (i) of this section, seventy percent
16 (70%);

17 (8) Beginning September 1 of the eighth year in which an
18 increase is allowed under subsection (i) of this section, eighty percent
19 (80%);

20 (9) Beginning September 1 of the ninth year in which an increase
21 is allowed under subsection (i) of this section, ninety percent (90%); and

22 (10) Beginning September 1 of the tenth year in which an
23 increase is allowed under subsection (i) of this section and thereafter, one
24 hundred percent (100%).

25 (i)(1) After the Treasurer of State certifies an annual report to the
26 Chief Fiscal Officer of the State under subdivision (g)(1) of this section,
27 the Chief Fiscal Officer of the State shall determine, within fifteen (15)
28 days after the end of each fiscal year, whether the total gross general
29 revenues for the closing fiscal year increased by at least three percent (3%)
30 over the total gross general revenues for the fiscal year before the closing
31 fiscal year.

32 (2) If the Chief Fiscal Officer of the State determines under
33 subdivision (i)(1) of this section that the total gross general revenues for
34 the closing fiscal year:

35 (A) Increased by at least three percent (3%) over the
36 total gross general revenues for the fiscal year before the closing fiscal

1 year, the percentage used under subsection (h) of this section shall increase
2 as stated under subsection (h) of this section; or

3 (B) Did not increase by at least three percent (3%) over
4 the total gross general revenues for the fiscal year before the closing
5 fiscal year, the percentage used under subsection (h) of this section shall:

6 (i) Not increase on September 1 as stated in
7 subsection (h); and

8 (ii) Remain the same until the Chief Fiscal Officer
9 of the State determines that the total gross general revenues for a closing
10 fiscal year increased by at least three percent (3%) over the total gross
11 general revenues for the fiscal year before the closing fiscal year.

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14 Referral requested by: Senator Bryan King

15 Prepared by: GAR/GAR
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