

State of Arkansas  
89th General Assembly  
Fiscal Session, 2014

# A Bill

DRAFT GAR/GAR  
SENATE BILL

By: Senator B. King

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

## For An Act To Be Entitled

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

## Subtitle

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

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

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

(h)(1) Beginning the first day of September following the issuance of  
an annual report certified to the Chief Fiscal Officer of the State by the  
Treasurer of State in which the gross collection of general revenue for sales  
and use tax exceeds two billion two hundred fifty million dollars  
(\$2,250,000,000), the Chief Fiscal Officer of the State shall determine as a  
monthly allocation an amount equivalent to the percentages stated in  
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.

1  
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

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

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

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

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

Referral requested by: Senator Bryan King

Prepared by: GAR/GAR