

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1500

By: Representative Wade

"AN ACT TO LEVY A GROSS RECEIPTS TAX OF TWO PERCENT UPON THE GROSS RECEIPTS OR GROSS PROCEEDS DERIVED FROM ALL MONIES WAGERED BY THE PARI-MUTUEL WAGERING SYSTEM AT LICENSED THOROUGHBRED HORSE RACE TRACKS AND GREYHOUND DOG RACE TRACKS IN THIS STATE, AND TO IMPOSE AN ADDITIONAL GROSS RECEIPTS TAX UPON THE RECEIPTS DERIVED FROM THE SALE OF ITEMS OF TANGIBLE PERSONAL PROPERTY BY FACILITIES OPERATED ON THE PREMISES OF LICENSED THOROUGHBRED AND GREYHOUND RACE TRACKS IN THIS STATE; TO PROVIDE THAT THE STATE RACING COMMISSION SHALL REQUIRE EACH LICENSED THOROUGHBRED RACE TRACK IN THIS STATE AND EACH LICENSED GREYHOUND RACE TRACK IN THIS STATE TO WITHHOLD AND REMIT THE AMOUNT OF SEVEN PERCENT FROM EACH WINNING PARI-MUTUEL WAGERING TICKET HOLDER IN WHICH THE AMOUNT THEREOF IS IN EXCESS OF SIX HUNDRED DOLLARS; AND FOR OTHER PURPOSES."

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

SECTION 1. There is hereby levied, and there shall be collected from licensed thoroughbred race tracks and greyhound race tracks in this State a gross receipts or gross proceeds tax of two percent (2%) upon all monies wagered by the pari-mutuel system of wagering at such race tracks. The gross receipts or gross proceeds tax levied under this Act shall be collected and remitted to the State Revenue Department in the same manner as now provided by law for the collection of the gross receipts tax under the Gross Receipts Tax Act of 1941, as amended.

SECTION 2. In addition to the rate of tax now levied upon the gross receipts or gross proceeds derived from the sale of tangible personal property and/or services under the provisions of the Gross Receipts Tax Act of 1941, as

amended, there is hereby levied and there shall be collected an additional tax of two percent (2%) upon the gross receipts or gross proceeds derived from the sale of taxable items of tangible personal property and services sold on the premises of licensed thoroughbred horse race tracks and licensed greyhound race tracks in this State. Such taxes shall be collected and remitted to the State Revenue Department in the same manner as now provided by law.

SECTION 3. All taxes collected under the provisions of Sections 1 and 2 of this Act shall be deposited in the State Treasury as "General Revenues", and shall be credited to the respective funds and fund accounts in the respective proportions to each, and to be used for the respective purposes as provided by the Revenue Stabilization Law of this State.

SECTION 4. The State Racing Commission shall cause to be withheld from each winning pari-mutuel wagering ticket at licensed thoroughbred race tracks and greyhound race tracks in this State involving Six Hundred Dollars (\$600.00) or more, the sum of seven percent (7%) thereof to be remitted to the State Revenue Department as income tax "withholding taxes" under the Arkansas Income Tax Law, for credit as "withholding taxes" to the account of the holder of the winning ticket, to assure that State income taxes due thereon, if any, are paid to the State of Arkansas in the manner provided by law. The Commissioner of Revenues is authorized to promulgate appropriate rules and regulations, comparable to federal income tax withholding laws that apply to similar situations for the administration and enforcement of the provisions of this Section.

SECTION 5. It is hereby found and determined by the General Assembly that the public schools of this State are in need of additional funds to enable said schools to operate a full nine-month school term, and to enable said districts to meet minimum standards required under the Quality Education Act; that due to the decline in federal funds which provide support for services of the Department of Human Services benefitting the medically needy and medically indigent of this State, said Department is facing a severe cutback in its current level of services unless additional State funds are provided to enable the Department to maintain an adequate level of such services; that the Department of Correction faces a revenue shortfall for the remainder of

the current fiscal year and will need additional funds during the next fiscal biennium to open and operate new facilities for the incarceration of convicted felons committed to said Department; and that the immediate passage of this Act is necessary to provide funds for the foregoing purposes. Therefore, an emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health, and safety, shall be in full force and effect from and after its passage and approval.

