

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

588

By: Bearden, Beebe, C. Bell, S. Bell, Benham,
Bookout, Cassady, Fitch, Gibson, Gordon,
Harriman, Ingram, Miles, Nelson, Russ,
Scott, Walters, Wilson, Yates,

For An Act To Be Entitled

"AN ACT TO LEVY A SURTAX OF FIVE PERCENT (5%) ON THE STATE INCOME TAX OF RESIDENTS OF COUNTIES IN WHICH THERE IS IN EFFECT A FEDERAL COURT ORDER MANDATING DESEGREGATION OF THE PUBLIC SCHOOLS IN THE COUNTY AND PLACING RESPONSIBILITY ON THE STATE TO PAY ALL OR A PORTION OF THE COST OF CARRYING OUT THE ORDER OF THE COURT; TO PROVIDE THE MANNER OF REMITTING AND COLLECTING THE TAX; TO PRESCRIBE THE DISPOSITION OF REVENUES DERIVED FROM THE TAX; AND FOR OTHER PURPOSES."

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

SECTION 1. There is hereby levied a surtax of five percent (5%) on the annual Arkansas income tax liability of each individual and corporate taxpayer who is a resident of or whose principal place of business or principal office is in a county in which there is now in effect or hereafter issued a federal court order mandating desegregation of the public schools of the county and placing responsibility on the state of Arkansas for paying all or a portion of the cost of carrying out such order.

SECTION 2. The tax levied herein shall be reported and paid by taxpayers in such counties at the time of reporting and paying the Arkansas income tax on which the surcharge is computed, and to the extent practical all laws and regulations relating to the reporting, payment, administration and enforcement of the Arkansas income tax, including penalties for delinquency in payment, shall, to the extent practical, be applicable to the tax levied herein.

SECTION 3. All taxes, interests, penalties and costs derived from the tax levied herein shall be deposited in the State Treasury and the total amount thereof shall be credited to a trust fund to be known as the "Court Ordered School Desegregation Trust Fund" which is hereby established on the books of the State Treasurer, the State Auditor and the Chief Fiscal Officer of the state to be used exclusively for paying the costs of court ordered school desegregation in those counties in which the federal courts have ordered implementation of a school desegregation plan and have imposed the cost of such plan or a portion thereof on the state.

SECTION 4. When the court ordered school desegregation plan in any county has been implemented and the court order has been fully complied with and all financial obligations of the state as prescribed in the court order have been met, the surtax levied herein shall cease to be applicable in such county.

SECTION 5. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 6. All laws and parts of laws in conflict with this act are hereby repealed.