

State of Arkansas

77th General Assembly

A Bill

HOUSE BILL

Third Extraordinary Session, 1989

CALL ITEM 1113

By: Representative Dawson

For An Act To Be Entitled

"AN ACT TO LEVY A ONE PERCENT (1%) EXCISE TAX UPON THE GROSS PROCEEDS OR GROSS RECEIPTS DERIVED FROM CERTAIN SALES; AND FOR OTHER PURPOSES."

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

SECTION 1. (a) There is levied an excise tax of one percent (1%) upon the gross proceeds or gross receipts derived from all sales provided to any person of the following:

(1) Sales of bagging, packaging, twine and other tie materials sold or used in production of agricultural products;

(2) That portion of the gross receipts or gross proceeds derived from the sale of automobile parts which constitute core charges which are received for the purpose of securing a trade-in for the article purchased;

(3) Sales of any cotton or seed cotton or lint cotton or baled cotton, whether compressed or not, or cotton seed in its original condition;

(4) Sales of all feedstuffs, as defined in §26-52-404(b), used in the commercial production of livestock or poultry in this state;

(5) Sales of new and used farm equipment and machinery used for the agricultural production of food or fiber as a business;

(6) Sales of seed for use in the commercial production of an agricultural product or for seed;

(7) Sales of agricultural fertilizer, agricultural limestone, and agricultural chemicals including, but not limited to, agricultural pesticides and herbicides used in commercial production of agricultural products;

(8) Sales of carbonaceous materials used in the electrolytic reduction process;

(9) Sales of aircraft held in stock for resale that are used for rental or charter services;

(10) Sales of vessels, barges, and towboats and parts and labor used in the repair and construction of vessels, barges, and towboats;

(11) Sales of new aircraft manufactured or substantially completed within this state and sold by the manufacturer or substantial completer to a purchaser for use outside this state;

(12) Services performed on watches and clocks which are received by mail or common carrier from outside this state and which, after the service is performed, are returned by mail or common carrier or in the repairman's own conveyance to points outside this state;

(13) Services performed for maintenance or to repair railroad parts, railroad cars, and equipment brought into this state for the purpose of being repaired, refurbished, modified, or converted within this state;

(14) Sales of special fuel or petroleum products sold for consumption by vessels, barges, and other commercial watercraft and railroads;

(15) Sales of electricity used in the manufacture of aluminum metal by the electrolytic reduction process;

(16) Sales of natural gas and electricity to steel mills;

(17) Rental or lease of specialized motion picture filming equipment;

(18) Sales of new custom manufactured homes;

(19) Sales of publications printed and published within this state and sold through regular subscriptions;

(20) Gate admission fees at state, district, county, or township fairs;

(21) Sales of rebuilt or remanufactured automobile parts and retreaded tires;

(22) Sales of tickets by municipalities to places of amusement or to athletic, entertainment or recreational events;

(23) Sales of tickets for admission to athletic events and interscholastic activities at public and private elementary and secondary schools in this state;

(24) Sales of tickets for admission to athletic events at institutions of higher education in this state;

(25) Sales of used tangible personal property;

(26) Sales of raw farm products;

(27) Sales of tangible personal property to be used for repair,

replacement or expansion of existing manufacturing or processing facilities;

(28) Sales of unprocessed crude oil;

(29) Sales of construction material and business or manufacturing equipment installed in enterprise zones;

(30) Sales of prescription drugs and oxygen;

(31) Sales of tangible personal property or services by churches or charitable organizations;

(32) Sales of food in public, common, high school or college cafeterias;

(33) Sales of motor vehicles and adaptive equipment to disabled veterans;

(34) Sales of tangible personal property or services to charitable hospitals or sanitariums;

(35) Sales on the premises of the Arkansas Veteran's Home;

(36) Sales to humane societies;

(37) Sales of motor vehicles to municipalities, counties, state supported colleges and universities and public school districts in this state;

(38) Sales of school buses to school districts in this state;

(39) Sales of the first 500 kilowatt hours of electricity to households with yearly income of \$12,000 or less; and

(b) The tax levied pursuant to this section shall be collected and remitted in the same manner as the tax levied by the Arkansas Gross Receipts Act, §26-52-101 et seq.

SECTION 2. There is levied an excise tax of one percent (1%) of the sales price of the property for the privilege of storing, using, or consuming within this state any article of tangible personal property listed in Section 1 of this act purchased for storage, use, or consumption in this state. This tax shall be collected and remitted in the same manner as the tax levied by the Arkansas Compensating Tax Act, §26-53-101 et seq.

SECTION 3. 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 4. All laws and parts of laws in conflict with this act are

hereby repealed.

SECTION 5. EMERGENCY. It is hereby found and determined by the General Assembly that additional revenues are needed to enable the State of Arkansas to maintain essential services of government and to meet the commitments of a number of said programs for new and expanded services; that the immediate passage of this act is necessary to enable the State to gain benefits of additional revenues derived from the collection of a one cent tax on the gross receipts on these items that are exempt from the gross receipts tax. Therefore, an emergency is hereby declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall be in full force and effect on and after January 1, 1990.