

State of Arkansas

77th General Assembly

A Bill

SENATE BILL

Third Extraordinary Session, 1989

CALL ITEM

33

By: Senator C. Bell

For An Act To Be Entitled

"AN ACT TO LEVY AN ADDITIONAL ONE-HALF PERCENT SALES TAX FOR PUBLIC ELEMENTARY AND SECONDARY EDUCATION, COLLEGES AND UNIVERSITIES, VOCATIONAL-TECHNICAL SCHOOLS, PRISON CONSTRUCTION, AND THE WAR ON DRUGS; AND FOR OTHER PURPOSES."

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

SECTION 1. In addition to all sales and use taxes levied by the State of Arkansas there is hereby levied an additional excise tax of one-half percent (½%) upon all taxable sales of property and services subject to the Arkansas Gross Receipts Act (Arkansas Code 26-52-101 et seq.) and the Arkansas Compensating Tax Act (Arkansas Code 26-53-101 et seq.). The tax levied by this Act shall be collected, reported and paid in the same manner and at the same time as prescribed by law for the collection, reporting and payment of all other Arkansas gross receipts taxes and compensating use taxes.

SECTION 2. The revenue derived from the tax levied by this Act shall be deposited in the State Treasury as a special revenue and distributed as follows:

1. Fifty percent (50%) to the Public School Fund;
2. Eighteen percent (18%) to the various general revenue funds of the institutions of higher education based on each funds proportion of its appropriation from general revenues versus the total general revenues appropriations to all general revenue funds of the institutions of higher education;
3. Two percent (2%) to the Vocational-Technical School Fund Account;
4. Ten percent (10%) to the Inmate Care and Custody Fund Account;
5. Twenty percent (20%) to the War On Drugs Fund.

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 All laws and parts of laws in conflict with this Act are hereby repealed.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 funds are immediately needed for public elementary and secondary education, colleges and universities, vocational-technical schools, prison construction and the war on drugs; that this Act will generate needed additional revenues by the levy of an additional one-half percent (½%) sales and use tax; and that this Act should go into effect immediately in order to generate additional revenues as soon as possible. Therefore, an emergency is hereby declared to exist and this Act being immediately necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.