

State of Arkansas

77th General Assembly

A Bill

SENATE BILL

Third Extraordinary Session, 1989

CALL ITEM 98

43

By: Senator Jewell

For An Act To Be Entitled

"AN ACT TO LEVY AN ADDITIONAL ONE PERCENT (1%) GROSS RECEIPTS TAX AND AN ADDITIONAL ONE PERCENT (1%) COMPENSATING TAX; TO PROVIDE THAT ALL NET REVENUES DERIVED FROM THE ADDITIONAL TAXES LEVIED HEREIN SHALL BE USED EXCLUSIVELY FOR EDUCATION PURPOSES; AND FOR OTHER PURPOSES."

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

SECTION 1. In addition to the gross receipts tax levied in the Arkansas Gross Receipts Act of 1941 and laws amendatory or supplemental thereto, there is hereby levied a tax of one percent (1%) on all taxable sales of tangible personal property and services subject to the tax levied therein. The tax levied herein shall be collected, reported and paid in the same manner and at the same time as prescribed by law for collecting, reporting and payment of other Arkansas gross receipts taxes. In computing gross receipts or gross proceeds as defined in Arkansas Code 26-52-103, a deduction shall be allowed for bad debts resulting from the sale of tangible personal property.

SECTION 2. In instances where an Arkansas city or incorporated town is (1) divided by a state line from an incorporated city or town in an adjoining state, and (2) the city or town in the adjoining state is of greater population than the Arkansas city or town, and (3) a tax imposed in such adjoining state is in the nature of a selective sales tax or limited to specific items as a special excise tax, then the rate of tax upon such articles on the Arkansas side, after the passage of this act, shall be at the same rate imposed in such adjoining state, not to exceed five per centum (5%), provided that if such border city has voted to levy an additional one percent (1%) gross receipts tax in such city in lieu of payment of state individual income taxes as authorized by Arkansas Code 26-52-601 through 26-52-606, the

maximum rate of tax shall be one percent (1%) above said five percentum (5%).

SECTION 3. In addition to the tax levied upon the privilege of storing, using or consuming tangible personal property within the state by the Arkansas Compensating Tax Act of 1949 and acts amendatory or supplemental thereto, there is hereby levied an excise tax of one per centum (1%) upon all tangible personal property subject to the tax levied in that act, and such tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting and payment of other Arkansas compensating taxes.

SECTION 4. All net revenues derived from the additional taxes levied herein shall be used exclusively for public kindergarten, elementary and secondary schools, higher education, and vocational-technical education purposes.

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.