

1 **State of Arkansas**
2 **78th General Assembly**
3 **Second Extraordinary Session, 1992**
4 **By: Representative Wingfield**
5 *Representative Hawkins*

A Bill

HOUSE BILL 1002

For An Act To Be Entitled

8 "AN ACT TO LEVY AN ADDITIONAL ONE-HALF PERCENT (1/2%)
9 SALES AND USE TAX; AND FOR OTHER PURPOSES."

Subtitle

12 "TO LEVY AN ADDITIONAL ONE-HALF PERCENT (1/2%) SALES AND
13 USE TAX."

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

17 SECTION 1. In addition to all state and local sales taxes now levied,
18 there is hereby levied an excise tax of one-half of one percent (1/2%) upon
19 all taxable sales of property and services subject to the tax levied by the
20 Arkansas Gross Receipts Act, A.C.A. §26-52-101 et seq., and such tax shall be
21 collected, reported, and paid in the same manner and at the same time as is
22 prescribed by law for the collection, reporting and payment of gross receipts
23 taxes levied by the Arkansas Gross Receipts Act.

25 SECTION 2. In addition to all state and local use taxes now levied there
26 is hereby levied an excise tax of one-half of one percent (1/2%) upon the
27 privilege of storing, using, distributing or consuming within this state
28 tangible personal property subject to the tax levied by the Arkansas
29 Compensating Tax Act, A.C.A. §26-53-101 et seq., and such tax shall be
30 collected, reported, and paid in the same manner and at the same time as is
31 prescribed by law for the collection, reporting and payment of use taxes
32 levied the Arkansas Compensating Tax Act.

34 SECTION 3. Prior to making the distribution of general revenues each
35 month during the fiscal year ending June 30, 1993, the State Treasurer shall

1 determine the amount of the gross receipts tax and compensating tax
2 collections attributable to a one-half percent (1/2%) tax and shall transfer
3 the amount so determined from the "general revenues available for
4 distribution", up to a maximum of thirty-six million (\$36,000,000), to the
5 Department of Human Services Grants Fund Account there to be used for the
6 continuation of Arkansas_ Medicaid Program. Prior to making the distribution
7 of general revenues each month during the biennial period ending June 30,
8 1995, the State Treasurer shall determine the amount of the gross receipts tax
9 and compensating tax collections attributable to a one-half percent (1/2%) tax
10 and transfer the amount so determined from the "general revenues available for
11 *distribution as follows: up to a maximum of \$67,000,000 in the 1993-94 fiscal*
12 *year and up to a maximum of \$73,700,000 in the 1994-95 fiscal year, to the*
13 *Department of Human Services Grants Fund Account there to be used for the*
14 *continuation of Arkansas_ Medicaid Program. The provisions of this act shall*
15 *expire on June 30, 1995.*

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17 SECTION 4. All provisions of this act of a general and permanent
18 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
19 Code Revision Commission shall incorporate the same in the Code.

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21 SECTION 5. If any provision of this act or the application thereof to
22 any person or circumstance is held invalid, such invalidity shall not affect
23 other provisions or applications of the act which can be given effect without
24 the invalid provision or application, and to this end the provisions of this
25 act are declared to be severable.

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

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30 SECTION 7. EMERGENCY. It is hereby found and determined by the General
31 Assembly that the state is in immediate need of additional revenues to address
32 the Medicaid funding crisis; this act generates those revenues; and that this
33 act should go into effect as soon as possible in order to provide additional
34 funding to the Medicaid program as soon as possible. Therefore, an emergency
35 is hereby declared to exist and this act being necessary for the immediate
36 preservation of the public peace, health and safety shall be in full force and

1 effect from and after its passage and approval.

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/s/Wingfield and Hawkins

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