

1 **State of Arkansas**
2 **78th General Assembly**
3 **Second Extraordinary Session, 1992**
4 **By: Senator Lewellen**

A Bill

Call Item 2

SENATE BILL

For An Act To Be Entitled

8 "AN ACT TO LEVY AN ADDITIONAL ONE PERCENT (1%) SALES AND
9 USE TAX; TO EXEMPT FOOD FROM THE ADDITIONAL TAX LEVIED
10 HEREIN; AND FOR OTHER PURPOSES."

Subtitle

13 "TO LEVY AN ADDITIONAL ONE PERCENT (1%) SALES AND USE TAX
14 AND TO EXEMPT FOOD FROM THE ADDITIONAL TAX."

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

18 SECTION 1. In addition to all state and local sales taxes now levied,
19 there is hereby levied an excise tax of one percent (1%) upon all taxable
20 sales of property and services subject to the tax levied by the Arkansas Gross
21 Receipts Act, A.C.A. §26-52-101 et seq., except food as defined in Section 3
22 hereof, and such tax shall be collected, reported, and paid in the same manner
23 and at the same time as is prescribed by law for the collection, reporting and
24 payment of gross receipts taxes levied by the Arkansas Gross Receipts Act.

26 SECTION 2. In addition to all state and local use taxes now levied there
27 is hereby levied an excise tax of one percent (1%) upon the privilege of
28 storing, using, distributing or consuming within this state tangible personal
29 property subject to the tax levied by the Arkansas Compensating Tax Act,
30 A.C.A. §26-53-101 et seq., except food as defined in Section 3 hereof, and
31 such tax shall be collected, reported, and paid in the same manner and at the
32 same time as is prescribed by law for the collection, reporting and payment of
33 use taxes levied by the Arkansas Compensating Tax Act.

35 SECTION 3. For the purposes of Sections 1 and 2 of this act, the term

1 "food" means food which is eligible for purchase with food stamps or food
2 coupons issued in accordance with the Food Stamp Act of 1964, as amended and
3 in effect on January 1, 1993, and all such food, regardless of whether it is
4 purchased with food stamps or food coupons, shall be exempt from the
5 additional tax levied in this act.

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

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11 SECTION 5. If any provision of this act or the application thereof to
12 any person or circumstance is held invalid, such invalidity shall not affect
13 other provisions or applications of the act which can be given effect without
14 the invalid provision or application, and to this end the provisions of this
15 act are declared to be severable.

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

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20 SECTION 7. EMERGENCY. It is hereby found and determined by the General
21 Assembly that the state is in immediate need of additional revenues to address
22 the medicaid funding crisis and to fund other essential programs; that this
23 act generates those revenues; and that this act should go into effect
24 immediately on order to provide additional funding to the medicaid program and
25 to other essential programs as soon as possible. Therefore, an emergency is
26 hereby declared to exist and this act being necessary for the preservation of
27 the public peace, health and safety shall be in full force and effect from and
28 after its passage and approval.

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