

1 State of Arkansas

2 80th General Assembly

3 Regular Session, 1995

4 By: Representative Ferguson

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## For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 26, CHAPTER 52, SUBCHAPTER 6 OF THE  
9 ARKANSAS CODE AUTHORIZING CERTAIN COUNTIES TO EQUALIZE TAX  
10 RATES WITH THOSE OF THE ADJOINING STATE; AND FOR OTHER  
11 PURPOSES."

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### Subtitle

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

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21 SECTION 1. Title 26, Chapter 52, Subchapter 6 of the Arkansas Code is  
22 amended by adding *new sections* to read as follows:

23 "26-52-607. Any county in this state which has a population of more  
24 than forty five thousand (45,000) persons but less than fifty five thousand  
25 (55,000) persons, according to the last federal census, and has within its  
26 boundaries a city which has a population of more than twenty five thousand  
27 (25,000) persons but less than thirty five thousand (35,000) persons,  
28 according to the last federal census, and that city borders the state line  
29 which is in the center of the main channel of a navigable river may elect to  
30 equalize the state taxes paid by its citizens within the border county in  
31 Arkansas with other tax advantages of the citizens in the adjoining state in  
32 the manner provided in this subchapter.

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26-52-608. (a) For purposes of this subchapter a border county is a  
county wherein is located a city or town which is divided by a street state  
line from an incorporated city or town in an adjoining state which does not

1 levy a state income tax.

2 (b) The provisions of this subchapter shall also apply to counties  
3 with a population of no less than thirteen thousand nine hundred sixty  
4 (13,960) persons nor more than fourteen thousand (14,000) persons according  
5 to the 1990 federal census.

6 (c) The qualified electors of an Arkansas border county may vote to  
7 equalize the state taxes paid by citizens in the border county with the tax  
8 advantages of citizens in the adjoining state in the manner provided in this  
9 subchapter.

10 26-52-609. Election proceedings.

11 (a) The quorum court of a county described in 26-52-608 may, by  
12 ordinance, call a special election, or, upon petition of not less than ten  
13 percent (10%) of the qualified electors of the county, as determined by the  
14 number of votes cast in the county for all candidates for election to the  
15 Office of Governor of Arkansas in the immediately preceding general election,  
16 filed with the county clerk petitioning that a special election be called, a  
17 special election shall be called in the county on the question of the  
18 imposition of an additional state tax of one percent (1%) upon the gross  
19 receipts or gross proceeds derived from taxable sales within the county under  
20 the provisions of the Arkansas Gross Receipts Act, § 26-52-101 et seq., and  
21 the proceeds derived therefrom shall benefit the State of Arkansas in lieu of  
22 the state income tax law applying to the net taxable income derived by  
23 individuals who are residents of the county.

24 (b) The special election shall be called not later than ninety (90)  
25 days nor earlier than sixty (60) days following the adoption of the ordinance  
26 by the governing body of the county, or the filing of petitions requesting  
27 the election.

28 (c) Notice of the special election shall be given by publication in  
29 some newspaper of general circulation within the county on two (2) occasions  
30 not more than thirty (30) days and not less than ten (10) days prior to the  
31 date of the election.

32 (d) The special election shall be held by the county board of election  
33 commissioners, and the election judges and clerks shall be selected and the  
34 election shall be conducted and the results shall be tabulated and certified  
35 in the manner now provided by law for the holding of elections in this state.

1 (e) On the ballot shall be printed the following issue:

2 [] FOR the levy of an additional one percent (1%) state gross receipts  
3 tax in the County of . . . . . , Arkansas, in  
4 lieu of paying state income taxes by individuals who are residents of the  
5 county.

6 [] AGAINST the levy of an additional one percent (1%) state gross  
7 receipts tax in the County of . . . . . ,  
8 Arkansas, in lieu of paying state income taxes by individuals who are  
9 residents of the county.

10 26-52-610. Election results - Effect.

11 (a)(1) In the event a majority of the qualified electors of the county  
12 voting on the issue at the election vote FOR the imposition of an additional  
13 one percent (1%) gross receipts tax on taxable sales in the county, then the  
14 additional one percent (1%) tax shall be levied effective January 1 next  
15 following the date of the election and thereafter.

16 (2) For as long as the additional one percent (1%) gross  
17 receipts tax is levied in the county, individuals who are residents of the  
18 county shall not be subject to the imposition of the Arkansas income tax, as  
19 levied by the Arkansas Income Tax Act, as amended, § 26-51-101 et seq.

20 (b) If a majority of the qualified electors of the county shall vote  
21 AGAINST the levy of an additional one percent (1%) gross receipts tax in lieu  
22 of payment of the state income tax in the county, then the citizens of the  
23 county shall continue to pay state gross receipts tax and state income tax,  
24 as provided by law."

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26 SECTION 2. All provisions of this act of a general and permanent  
27 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
28 Code Revision Commission shall incorporate the same in the Code.

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30 SECTION 3. If any provision of this act or the application thereof to  
31 any person or circumstance is held invalid, such invalidity shall not affect  
32 other provisions or applications of the act which can be given effect without  
33 the invalid provision or application, and to this end the provisions of this  
34 act are declared to be severable.

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1           SECTION 4. All laws and parts of laws in conflict with this act are  
2 hereby repealed.

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*/s/Rep. Ferguson*

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