

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representative George

A Bill

HOUSE BILL 2040

For An Act To Be Entitled

"AN ACT TO LEVY AN ADDITIONAL ONE AND ONE-HALF PERCENT (1-1/2%) SALES AND USE TAX TO BE USED FOR EDUCATIONAL PURPOSES AND TO PROVIDE FOR THE MAINTENANCE AND OPERATION OF THE COUNTY ASSESSOR, COLLECTOR AND TREASURER'S OFFICES; AND FOR OTHER PURPOSES."

Subtitle

"TO LEVY AN ADDITIONAL 1-1/2% SALES AND USE TAX FOR EDUCATIONAL PURPOSES AND TO PROVIDE FOR THE MAINTENANCE AND OPERATION OF CERTAIN COUNTY OFFICES."

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

SECTION 1. In addition to the excise tax levied upon the gross proceeds or gross receipts derived from all sales by the Arkansas Gross Receipts Act (Arkansas Code §26-52-101 et seq.), there is hereby levied an excise tax of one and one-half percent (1-1/2%) upon all taxable sales of property and services 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 all other Arkansas gross receipts taxes.

SECTION 2. In addition to the excise tax levied upon the privilege of storing, using, distributing or consuming tangible personal property within the State by the Arkansas Compensating Tax Act (Arkansas Code §26-53-101 et seq.), there is hereby levied an excise tax of one and one-half percent (1-

1 1/2%) upon all tangible personal property subject to the tax levied in that
2 Act, and such tax shall be collected, reported, and paid in the same manner
3 and at the same time as is prescribed by law for the collection, reporting
4 and payment of Arkansas compensating taxes.

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6 SECTION 3. Ninety Seven percent (97%) of the revenues generated by
7 this act shall be deposited in the State Treasury as general revenues. Three
8 percent (3%) of the monies collected pursuant to this act shall be deposited
9 as special revenues into the County Office Operation Fund which is hereby
10 created on the books of the State Treasurer, State Auditor, and the Chief
11 Fiscal Officer of the State to be used exclusively for the operation of
12 county collector, county assessor and county treasurer offices.

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14 SECTION 4. (a) Any county in which one or more school districts
15 abolish the property tax millage devoted to maintenance and operation in
16 order to qualify for additional state funds shall be reimbursed by the state
17 for the amount of revenues which the county would have received from the
18 abolished property tax for the operation of the offices of county treasurer,
19 county collector and county assessor.

20 (b) The county treasurer shall certify to the Chief Fiscal Officer of
21 the State no later than June 30 of each year the amount of revenues which
22 would have been collected that year from the abolished property tax and which
23 would have been devoted to the operation of the offices of county treasurer,
24 county collector and county assessor. The certification shall be based on
25 the millage rate abolished in order to qualify for additional state funds.

26 (c) Beginning July of the next fiscal year, and each month during that
27 year, the Chief Fiscal Officer shall transmit from the County Office
28 Operation Fund to the county treasurer the proportionate amount certified by
29 the county treasurer.

30 (d) The county treasurer shall distribute the funds to the county
31 collector, county assessor and the county treasurer in the same amount that
32 they would have received had the money been generated by property taxes.

33 (e) If there are not sufficient funds in the County Office Operation
34 Fund for distribution as provided in subsection (d) the Chief Fiscal Officer
35 shall transfer from the General Fund Account of the State Apportionment Fund

1 to the County Office Operation Fund sufficient revenues to meet the state's
2 obligation under this act.

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4 SECTION 5. Any school district which would receive less funding under
5 the 1995 Act which originated as House Bill 1580 of 1995 shall receive the
6 same level of funding as received in the 1994-95 school year except for
7 increases or decreases in numbers of students.

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9 SECTION 6. All provisions of this act of a general and permanent
10 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
11 Code Revision Commission shall incorporate the same in the Code.

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13 SECTION 7. If any provision of this act or the application thereof to
14 any person or circumstance is held invalid, such invalidity shall not affect
15 other provisions or applications of the act which can be given effect without
16 the invalid provision or application, and to this end the provisions of this
17 act are declared to be severable.

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19 SECTION 8. All laws and parts of laws in conflict with this act are
20 hereby repealed.

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22 SECTION 9. It is hereby found and determined by the General Assembly
23 that the effectiveness of this act on July 1, 1995, is essential to the
24 operation of the State Department of Education and the various school
25 districts of Arkansas; that the changes in law reflected in this act require
26 implementation before the beginning of the 1995-96 school year; and that in
27 the event of an extension of the Regular Session, any delay in the effective
28 date of this act beyond July 1, 1995, could work irreparable harm upon the
29 proper administration and provision of essential programs and to the school
30 children of Arkansas. Therefore, an emergency is hereby declared to exist,
31 and this act being immediately necessary for the preservation of the public
32 peace, health, and safety shall be in full force and effect from and after
33 July 1, 1995.

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/s/Rep. George

As Engrossed: 3/22/95 3/27/95 3/28/95

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