

1 State of Arkansas

2 80th General Assembly

3 Regular Session, 1995

H.R.

1042

4 By: Representative Molinaro

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HOUSE RESOLUTION

8 REQUESTING THE JOINT INTERIM COMMITTEE ON REVENUE AND
9 TAXATION TO STUDY THE ARKANSAS GROSS RECEIPTS TAX TO
10 EVALUATE THE VARIOUS TAX POLICY AND TAX EQUITY ASPECTS OF
11 THE TAX, THE TAX BASE, *THE EXCLUSIONS* AND THE EXEMPTIONS
12 FROM THE TAX.

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Subtitle

15 REQUESTING A STUDY OF THE ARKANSAS GROSS RECEIPTS TAX, THE
16 TAX BASE, *THE EXCLUSIONS* AND TAX EXEMPTIONS.

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18 WHEREAS, the Arkansas Gross Receipts Tax was first levied by Act 386 of
19 1941 on the gross proceeds or gross receipts derived from the sales of
20 various tangible personal property and services in Arkansas; and

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22 WHEREAS, the Arkansas Gross Receipts Tax was originally levied at three
23 percent (3%) and has increased over the years to four and one-half percent
24 (4.5%) and has raised over one billion dollars (\$1,000,000,000) in fiscal
25 year 1994; and

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27 WHEREAS, the Arkansas Gross Receipts and Compensating Use Taxes make up
28 the single largest element of the general revenue tax base for the Arkansas
29 state government; and

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31 WHEREAS, the Arkansas Gross Receipts Tax law does not tax various kinds
32 of services, does not extend to a multitude of products and specific sales
33 transactions, and, over the years, forty-eight (48) specific types of
34 specialized and enumerated tax exemptions have been granted; and

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1 WHEREAS, the gross receipts and sales taxes are generally recognized as
2 being a regressive form of taxation and with an ever-increasing number of
3 exemptions, the Arkansas sales tax base becomes more and more narrow and more
4 regressive.

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6 NOW THEREFORE,

7 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTIETH GENERAL
8 ASSEMBLY OF THE STATE OF ARKANSAS:

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10 THAT the House of Representatives of the Eightieth General Assembly of
11 the State of Arkansas respectfully requests the Joint Interim Committee on
12 Revenue and Taxation to *make a study for the purpose of updating the most*
13 *recent legislative study and report concerning* the tax policy and tax equity
14 aspects of the Arkansas Gross Receipts Tax, the revenue base for the tax, and
15 the many varied *exclusions and* exemptions to the tax to determine if the tax
16 base should be expanded and *the exclusions and* exemptions should be removed
17 or modified.

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/s/Rep. Molinaro

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As Engrossed: 3/24/95

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