

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

A Bill

SENATE BILL 11

For An Act To Be Entitled

"AN ACT TO LEVY AN ADDITIONAL ONE-HALF OF ONE PERCENT
SALES AND USE TAX; TO EXEMPT FOOD FROM ALL STATE SALES AND
USE TAXES; AND FOR OTHER PURPOSES."

Subtitle

"AN ACT TO LEVY AN ADDITIONAL ONE-HALF
OF ONE PERCENT SALES AND USE TAX; TO
EXEMPT FOOD FROM ALL STATE SALES AND USE
TAXES."

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

SECTION 1. (a) For purposes of this act, except as provided in subsection (b), "food" means food which is eligible for purchase with food stamps or food coupons issued in accordance with the Food Stamp Act of 1964, as amended and in effect on January 1, 1993, and all such food, regardless of whether it is purchased with food stamps or food coupons.

(b) For purposes of this act, "food" does not include any soft drink as defined by Arkansas Code §26-57-902(b)(14).

SECTION 2. In addition to all state and local sales taxes now levied, there is hereby levied an excise tax of one-half of one percent (1/2%) upon all taxable sales of property and services subject to the tax levied by the Arkansas Gross Receipts Tax Act, A.C.A. §26-52-101 et seq. 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 gross receipts taxes levied by the Arkansas Gross Receipts Tax Act.

1 SECTION 3. In addition to all state and local use taxes now levied,
2 there is hereby levied an excise tax of one-half of one percent (1/2%) upon
3 the privilege of storing, using, distributing or consuming within this state
4 tangible personal property subject to the tax levied by the Arkansas
5 Compensating Tax Act, A.C.A. §16-53-101 et seq. and such tax shall be
6 collected, reported, and paid in the same manner and at the same time as is
7 prescribed by law for the collection, reporting and payment of use taxes
8 levied by the Arkansas Compensating Tax Act.

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10 SECTION 4. (a) Food, as defined in Section 1 hereof, shall be exempt
11 from the additional state tax levied in this act, and shall be exempt from
12 the state taxes levied by the Arkansas Gross Receipts Tax Act, Arkansas Code
13 §26-52-101 et seq. and the Arkansas Compensating Tax Act, Arkansas Code §16-
14 53-101 and from all other state gross receipts and compensating taxes.

15 (b) The provisions of this act exempting food from the gross receipts
16 tax and the compensating use tax levied by the state shall in no way affect
17 any local sales and use taxes levied by counties or municipalities in this
18 state and food shall continue to be subject to such local taxes.

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20 SECTION 5. The provisions of this act shall be implemented and the
21 additional tax levied herein shall be applicable on and after January 1,
22 1996.

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

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28 SECTION 7. If any provision of this act or the application thereof to
29 any person or circumstance is held invalid, such invalidity shall not affect
30 other provisions or applications of the act which can be given effect without
31 the invalid provision or application, and to this end the provisions of this
32 act are declared to be severable.

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

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