

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

A Bill

SENATE BILL 295

For An Act To Be Entitled

"AN ACT TO AMEND TITLE 26, CHAPTER 75, SUBCHAPTER 5 OF THE
ARKANSAS CODE TO CLARIFY THAT BOTH LOCAL USE TAX AND LOCAL
SALES TAX ARE LEVIED; AND FOR OTHER PURPOSES."

Subtitle

"AN ACT TO CLARIFY THAT LOCAL USE
TAX IS LEVIED BY ARK. CODE
ANN. § 26-75-501, ET SEQ."

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

SECTION 1: Title 26, Chapter 75, Subchapter 5 of the Arkansas Code of
1987 Annotated is amended by adding a new section to read as follows:

"26-75-508. Levy of Use Tax.

In all cities of the first or second class that have adopted an
ordinance prior to January 1, 1995 levying local sales tax as provided in
§ 26-75-502, there is also levied a local compensating use tax. The rate of
the use tax levied by this section shall be equal to the rate of the sales
tax levied by the city. The use tax levied under this section and the local
sales tax levied under § 26-75-502 shall be administered and enforced in
accordance with the provisions of §§ 26-75-223 and 26-75-312."

SECTION 2: Ark. Code Ann. § 26-75-505(a) is amended to read as
follows:

"(a) The Director of the Department of Finance and Administration of
the State of Arkansas shall collect the tax levied under this subchapter
concurrently with and in the same manner as taxes collected under the
Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq. and the Arkansas

1 Compensating Tax Act of 1949, § 26-53-101 et seq."

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3 SECTION 3. All provisions of this act of a general and permanent
4 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
5 Code Revision Commission shall incorporate the same in the Code.

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7 SECTION 4. If any provision of this act or the application thereof to
8 any person or circumstance is held invalid, such invalidity shall not affect
9 other provisions or applications of the act which can be given effect without
10 the invalid provision or application, and to this end the provisions of this
11 act are declared to be severable.

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13 SECTION 5. All laws and parts of laws in conflict with this act are
14 hereby repealed.

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16 SECTION 6. EMERGENCY. It is hereby found and determined by the
17 General Assembly that there exists some confusion among taxpayers in
18 Texarkana, Arkansas concerning application of city sales and use tax; that
19 this act will clarify that city use tax applies to out of state purchases by
20 Texarkana, Arkansas residents; and that an effective date of July 1, 1995 is
21 necessary for the efficient administration of this act. Therefore, an
22 emergency is hereby declared to exist and this act being necessary for the
23 immediate preservation of the public peace, health and safety shall be in
24 full force and effect on and after July 1, 1995.

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