

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

A Bill

SENATE BILL 823

For An Act To Be Entitled

"AN ACT TO LEVY A STATEWIDE PROPERTY TAX ON UTILITY,
INDUSTRIAL AND COMMERCIAL PERSONAL PROPERTY IN LIEU OF THE
CURRENT COUNTY TAX FOR EDUCATIONAL PURPOSES; TO LEVY A ONE
PERCENT (1%) SALES AND USE TAX FOR PRIMARY AND SECONDARY
EDUCATIONAL PURPOSES; AND FOR OTHER PURPOSES."

Subtitle

"TO LEVY A STATEWIDE PROPERTY TAX ON
UTILITY, INDUSTRIAL AND COMMERCIAL
PERSONAL PROPERTY AND A ONE PERCENT (1%)
SALES AND USE TAX FOR EDUCATIONAL
PURPOSES."

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

SECTION 1. (a) The current ad valorem tax on utility, industrial and commercial personal property levied by any school district is hereby abolished. In lieu thereof there is hereby levied a statewide tax on personal property owned by a utility company or an industrial or commercial entity at a rate of thirty five (35) mills on the dollar.

(b) The tax imposed by this section may be increased by no more than two (2) mills on the dollar each regular session. Such increase shall be approved by a two thirds (2/3) vote of the members of each house of the General Assembly.

(c) All ad valorem taxes levied by the state on utility property shall be based on the assessment of the Public Service Commission as provided in Arkansas Code §26-24-103. All ad valorem taxes levied by the state on commercial and industrial property shall be based on the assessment of the

1 Assessment Coordination Division of the Arkansas Public Service Commission
2 which shall have the full power and authority in the administration of the
3 tax laws of this state to have the exclusive power of original assessment of
4 commercial and industrial personal property. Any appeal of the Assessment
5 Coordination Division's assessment shall be to the Arkansas Public Service
6 Commission sitting as the State Equalization Board. The tax shall be
7 collected in the same manner as all other ad valorem taxes collected by the
8 county collector. The county collector shall not accept any ad valorem taxes
9 from a utility company or industrial or commercial entity whether levied by a
10 city, county, a school district or the state unless such company or entity
11 remits all ad valorem taxes due to the collector.

12 (d) The county collector shall transmit the ad valorem taxes collected
13 pursuant to this act to the state treasurer for credit to the Public School
14 Fund.

15

16 SECTION 2. (a) In addition to the excise tax levied upon the gross
17 proceeds or gross receipts derived from all sales by the Arkansas Gross
18 Receipts Act (Arkansas Code of 1987 Annotated §26-52-101 et seq.), there is
19 hereby levied an excise tax of one percent (1%) upon all taxable sales of
20 property and services subject to the tax levied in that Act, and such tax
21 shall be collected, reported, and paid in the same manner and at the same
22 time as is prescribed by law for the collection, reporting and payment of all
23 other Arkansas gross receipts taxes.

24 (b) In addition to the excise tax levied upon the privilege of
25 storing, using, distributing or consuming tangible personal property within
26 the State by the Arkansas Compensating Tax Act (Arkansas Code of 1987
27 Annotated §26-53-101 et seq.), there is hereby levied an excise tax of one
28 percent (1%) upon all tangible personal property subject to the tax levied in
29 that Act, and such tax shall be collected, reported, and paid in the same
30 manner and at the same time as is prescribed by law for the collection,
31 reporting and payment of Arkansas compensating taxes.

32 (c) All monies collected from the tax levied pursuant to this section
33 shall be deposited in the State Treasury as special revenues and credited to
34 the Public School Fund to be used exclusively for elementary and secondary
35 education.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

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

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

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

1

2