

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

As Engrossed: H2/12/97

# A Bill

HOUSE BILL 1007

4 *By: Representatives George, Lavery, Davis, Johnson, Hunton, French, Wilkinson, Sheppard, Miller, Rorie, Kidd, Broadway, Whorton, Ammons, Wilson, Wallis, Wren, Baker,*  
5 *Curran, McGehee, Hall, Wood, Hendren, Stalnaker, Jones, Roberts, Thomas, Molinaro, Hendren, Fletcher, Angel, Newman, and Willems*

## For An Act To Be Entitled

9 "AN ACT TO LEVY AN ADDITIONAL 1% SALES AND USE TAX TO BE  
10 USED TO PROVIDE A PROPERTY TAX REBATE NOT TO EXCEED \$5,000  
11 PER TAXPAYER PER YEAR; AND FOR OTHER PURPOSES."

## Subtitle

14 "TO LEVY AN ADDITIONAL 1% SALES AND USE  
15 TAX TO BE USED TO PROVIDE A PROPERTY TAX  
16 REBATE NOT TO EXCEED \$5,000 PER TAXPAYER  
17 PER YEAR."

18  
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Beginning January 1, 1998, there is hereby levied an excise  
22 tax of one percent (1%) upon all taxable sales of property and services  
23 subject to the tax levied by the Arkansas Gross Receipts Act (Arkansas Code of  
24 1987 Annotated §26-52-101 et seq.) The tax shall be collected, reported, and  
25 paid in the same manner and at the same time as is prescribed by the Arkansas  
26 Gross Receipts Tax Act for the collection, reporting and payment of the  
27 Arkansas gross receipts tax.

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29 SECTION 2. Beginning January 1, 1998, there is hereby levied an excise  
30 tax of one percent (1%) upon all tangible personal property subject to the tax  
31 levied in the Arkansas Compensating Tax Act (Arkansas Code of 1987 Annotated  
32 §26-53-101 et seq.). The tax shall be collected, reported, and paid in the  
33 same manner and at the same time as is prescribed by the Arkansas Compensating  
34 Tax Act for the collection, reporting and payment of Arkansas compensating  
35 taxes.

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1       SECTION 3. The revenues generated by this act shall be deposited as  
2 special revenues into the Property Tax Assistance Fund which is hereby created  
3 on the books of the State Treasurer, State Auditor, and the Chief Fiscal  
4 Officer of the state to be used exclusively for the purposes set forth in this  
5 Act. Monies shall be transferred from the Property Tax Assistance Fund to  
6 general revenues in the amount of tax credits claimed under this act. If the  
7 fund balance at any time exceeds by at least twenty-five percent (25%) the  
8 expenditures from the fund during the previous calendar year, the General  
9 Assembly may by law transfer the excess balance into the State Treasury as  
10 general revenues. If at any time the fund balance is insufficient, monies may  
11 be borrowed from the Budget Stabilization Trust Fund. The borrowed monies  
12 shall be repaid from the Property Tax Assistance Fund.

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14       SECTION 4. (a) Beginning January 1, 1999, each person and entity  
15 paying real property taxes to any school district in this state is entitled to  
16 a property tax assistance payment from the Department of Finance and  
17 Administration or a credit against the taxpayers state income tax liability..

18       (b) Payments shall be distributed from the Property Tax Assistance  
19 Fund in the aggregate amount of all real property taxes paid by the person or  
20 entity during a calendar year for public school maintenance and operation as  
21 calculated in subsection (c) of this section, not to exceed five thousand  
22 dollars (\$5,000) per year.

23       (c) To arrive at the amount of assistance payment or tax credit under  
24 subsection (b), the assessed value (for the year immediately preceding the  
25 year in which the tax is due) of each claimants real property located within  
26 a school district shall be multiplied by the school tax millage levied on the  
27 claimants property on January 1, 1997 excluding school tax millage then used  
28 for capital improvements and bonded indebtedness. Each county assessor shall  
29 provide the taxpayer with a certification of the calculation required by this  
30 subsection. The certification shall constitute adequate documentation for the  
31 Department of Finance and Administration.

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33       SECTION 5. (a) No person or entity shall receive a payment under this  
34 act for taxes due prior to January 1, 1997.

35       (b) No person or entity shall receive a payment under this act for  
36 taxes due more than two (2) years prior to the date the claim is filed under

1 this act.

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3 SECTION 6. The Department of Finance and Administration shall  
4 promulgate regulations necessary for implementing this act.

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6 SECTION 7. Arkansas Code §§26-51-601 through 26-51-608 are hereby  
7 repealed.

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10 SECTION 8. All provisions of this act of a general and permanent nature  
11 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
12 Revision Commission shall incorporate the same in the Code.

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14 SECTION 9. If any provision of this act or the application thereof to  
15 any person or circumstance is held invalid, such invalidity shall not affect  
16 other provisions or applications of the act which can be given effect without  
17 the invalid provision or application, and to this end the provisions of this  
18 act are declared to be severable.

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20 SECTION 10. All laws and parts of laws in conflict with this act are  
21 hereby repealed.

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*/s/Rep. George, et al*

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