

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

As Engrossed: H2/11/97 H2/20/97

A Bill

HOUSE BILL 1025

4 *By: Representative Young and Schexnayder*

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For An Act To Be Entitled

8 "AN ACT TO LEVY AN ADDITIONAL *FIVE*-EIGHTHS OF ONE PERCENT
9 (*5/8* OF 1%) SALES AND USE TAX; TO EXEMPT FOOD FROM ALL
10 *STATE AND LOCAL SALES AND USE TAXES; AND FOR OTHER*
11 *PURPOSES.*"

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Subtitle

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

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SECTION 1. For purposes of this act, "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, 1997, and all such food, regardless of whether it is purchased with food stamps or *food coupons, except food shall not include soft drinks as defined in 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 five-eighths of one percent (5/8%)* 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 five-eighths of one percent (5/8%)*
3 *upon the privilege of storing, using, distributing or consuming within this*
4 *state tangible personal property subject to the tax levied by the Arkansas*
5 *Compensating Tax Act, A.C.A. §26-53-101 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. Food, as defined in Section 1 hereof, shall be exempt from
11 the additional taxes levied in this act, and shall be exempt from the taxes
12 levied by the Arkansas Gross Receipts Tax Act, Arkansas Code §26-52-101 et
13 seq. and the Arkansas Compensating Tax Act, Arkansas Code §26-53-101 and from
14 all other state and local gross receipts and compensating taxes.

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16 SECTION 5. *Sixty-eight percent (68%) of the revenues generated by this*
17 *Act shall be deposited in the State Apportionment Fund and allocated as*
18 *directed in Arkansas Code § 26-52-107.*

19 (b) *Thirty-two percent (32%) of the revenues generated by this Act*
20 *shall be deposited as special revenues into the City and County Sales and Use*
21 *Tax Rebate Fund which is hereby created on the books of the State Treasurer,*
22 *State Auditor, and the Chief Fiscal Officer of the State. The State Treasurer*
23 *shall monthly transmit the funds collected and deposited into this Fund to the*
24 *county treasurers and city treasurers in the same proportion as the*
25 *distributions to the county treasurers and city treasurers from the Local*
26 *Sales and Use Tax Trust Fund.*

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28 SECTION 6. The provisions of this act shall be effective on and after
29 January 1, 1998.

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31 SECTION 7. All provisions of this act of a general and permanent nature
32 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
33 Revision Commission shall incorporate the same in the Code.

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35 SECTION 8. If any provision of this act or the application thereof to
36 any person or circumstance is held invalid, such invalidity shall not affect

1 other provisions or applications of the act which can be given effect without
2 the invalid provision or application, and to this end the provisions of this
3 act are declared to be severable.

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5 SECTION 9. All laws and parts of laws in conflict with this act are
6 hereby repealed.

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/s/Rep. Young, et al

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