

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

A Bill

HOUSE BILL 1543

4
5 By: Representatives Purdom, Lavery and Milum
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For An Act To Be Entitled

8
9 "AN ACT TO REPEAL ARKANSAS CODE § 26-52-303 RELATING TO
10 BORDER CITY TAX EXEMPTIONS; AND FOR OTHER PURPOSES."
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Subtitle

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13 "AN ACT TO REPEAL ARKANSAS CODE § 26-52-
14 303 RELATING TO BORDER CITY TAX
15 EXEMPTIONS."
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Effective January 1, 1998, Arkansas Code § 26-52-303 is
20 repealed.

21 ~~§ 26-52-303. Border cities or towns - Tax rate - Exemptions.~~

22 ~~(a)(1) In instances where an Arkansas city or incorporated town is:~~

23 ~~(A) Divided by a state line from an incorporated city or town in an~~
24 ~~adjoining state;~~

25 ~~(B) The city or town in the adjoining state is of greater population~~
26 ~~than the Arkansas city or town; and~~

27 ~~(C) A tax imposed in such adjoining state is in the nature of a~~
28 ~~selective sales tax or limited to specific items as a special excise tax;~~

29 ~~then the rate of tax upon such articles on the Arkansas side shall be at~~
30 ~~the same rate imposed in such adjoining state, not to exceed five percent~~
31 ~~(5%).~~

32 ~~(2) Provided that, if such border city has voted to levy an additional~~
33 ~~one percent (1%) gross receipts tax in such city in lieu of paying state~~
34 ~~income taxes by individuals who are residents of said city, as authorized by §~~
35 ~~26-52-601 et seq., in such event the rate of tax shall be one percent (1%)~~
36 ~~above said five percent (5%).~~

1 ~~— (b) The exception hereunder shall not be applicable to gross receipts or~~
2 ~~gross proceeds derived from the sale of beer, wine, liquor, or any other form~~
3 ~~of intoxicating beverages in any border city or incorporated town in the State~~
4 ~~of Arkansas.~~

5 ~~— (c) With respect to motor vehicles sold in any such city or incorporated~~
6 ~~town, the exemption authorized herein shall be applicable only to motor~~
7 ~~vehicles sold to and registered by bona fide residents of such Arkansas city~~
8 ~~or incorporated town and shall not be applicable to motor vehicles sold to~~
9 ~~nonresidents.~~

10 ~~— (d)(1) The director shall require any person claiming this exemption to~~
11 ~~file a sworn statement in writing that the person is a resident of that city~~
12 ~~or incorporated town, and such other information as the director may determine~~
13 ~~is necessary to establish the residence of any such person.~~

14 ~~— (2) Any person filing a false statement or otherwise falsely obtaining,~~
15 ~~or assisting any other person to falsely obtain, the benefits of the exemption~~
16 ~~authorized in this section shall, upon conviction, be fined in a sum of not~~
17 ~~less than one hundred dollars (\$100) nor more than five hundred dollars~~
18 ~~(\$500).~~

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20 SECTION 2. All provisions of this act of a general and permanent nature
21 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
22 Revision Commission shall incorporate the same in the Code.

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24 SECTION 3. If any provision of this act or the application thereof to
25 any person or circumstance is held invalid, such invalidity shall not affect
26 other provisions or applications of the act which can be given effect without
27 the invalid provision or application, and to this end the provisions of this
28 act are declared to be severable.

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30 SECTION 4. All laws and parts of laws in conflict with this act are
31 hereby repealed.

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