

Stricken language would be deleted from present law. Underlined language would be added to present law.

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

A Bill

HOUSE BILL 1612

4
5 By: Representative Ferguson
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For An Act To Be Entitled

9 "AN ACT TO EXEMPT CERTAIN FOODS FROM STATE SALES AND USE
10 TAX; TO PHASE IN THIS EXEMPTION OVER A PERIOD OF FOUR (4)
11 YEARS; AND FOR OTHER PURPOSES."
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Subtitle

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14 "TO EXEMPT CERTAIN FOODS FROM STATE
15 SALES AND USE TAX."
16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. (a) For purposes of this act, "eligible food and beverage"
20 means any food as defined in Section 3 of the federal Food Stamp Act of 1977
21 (P.L. 95-113), as amended, 7 U.S.C.S. 2012(g), as the Act existed on January
22 1, 1997, except "eligible food and beverage" shall not include soft drinks as
23 defined by Arkansas Code §26-57-902(b)(14).

24 (b) The sales and use taxes levied by Chapters 52 and 53 of Title 26 of
25 the Arkansas Code on eligible food and beverage sold for human consumption
26 shall be reduced to 3% for sales occurring after December 31, 1997 through
27 December 31, 1998.

28 (c) The sales and use taxes levied by Chapters 52 and 53 of Title 26 of
29 the Arkansas Code on eligible food and beverage sold for human consumption
30 shall be reduced to 2% for sales occurring after December 31, 1998 through
31 December 31, 1999.

32 (d) The sales and use taxes levied by Chapters 52 and 53 of Title 26 of
33 the Arkansas Code on eligible food and beverage sold for human consumption
34 shall be reduced to 1% for sales occurring after December 31, 1999 through
35 December 31, 2000.

36 (e) Beginning January 1, 2001 eligible food and beverage sold for human
37 consumption shall be exempt for the sales and use taxes levied by Chapters 52

1 and 53 of Title 26 of the Arkansas Code.

2 (f) The exemption provided in this act shall not affect local sales and
 3 use taxes levied in this state.

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 5 SECTION 2. On or before March 15 of each year in which the state sales
 6 tax on food is reduced, the director of the Department of Finance and
 7 Administration shall file a report with the House and Senate Committees on
 8 Revenue and Taxation stating the amount of revenues collected from the state
 9 sales tax for the previous calendar year and the estimated amount of revenue
 10 loss resulting from the reduction of sales tax on food for the previous
 11 calendar year. The House and Senate Committees on Revenue and Taxation shall
 12 review the Department's report to determine whether state supported programs
 13 are being adequately funded and whether there are any adverse effects on state
 14 programs as a result of phasing food from the state sales tax. The House and
 15 Senate Committees on Revenue and Taxation shall report its findings and make
 16 recommendations regarding the continued implementation of this act to the
 17 General Assembly.

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

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

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

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