

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

A Bill

HOUSE BILL 2010

4
5 By: Representatives Ferguson and McGee
6 By: Senators Everett and Lewellen

For An Act To Be Entitled

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10 "AN ACT TO AMEND ARKANSAS CODE TITLE 26, CHAPTER 52, TO
11 ASSIST CERTAIN BORDER CITIES TO COMPETE WITH AN ADJOINING
12 STATE; AND FOR OTHER PURPOSES."

Subtitle

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15 "AN ACT TO ASSIST CERTAIN BORDER CITIES
16 TO COMPETE WITH AN ADJOINING STATE."

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

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20 SECTION 1. Arkansas Code Title 26, Chapter 52 is amended by adding the
21 following new subchapter:

22 "26-52-1601. Any city meeting the following criteria may elect to
23 equalize the state taxes paid by its citizens with other tax advantages of the
24 citizens in the adjoining state in the manner provided for in this subchapter:

25 (1) The city borders the state line, which is in the center of the main
26 channel of a navigable river, and has a population of more than twenty five
27 thousand (25,000) persons but less than thirty five thousand (35,000) persons,
28 according to the last federal census, and is located in a county in this state
29 which has a population of more than forty five thousand (45,000) persons but
30 less than fifty five thousand (55,000) persons, according to the last federal
31 census; and

32 (2) The city adjoins a city described in subdivision (1).

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34 26-52-1602. Benefits of subchapter for individual taxpayers only.

35 This subchapter is intended to exempt only individual taxpayers from the
36 Arkansas income tax and not to provide exemption for corporations or any

1 taxpayers other than individual taxpayers.

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3 26-52-1603. Individual taxpayers entitled to benefit of subchapter.

4 Any individual taxpayer residing in any border city or town located
 5 outside the State of Arkansas and bordering a city described in § 26-52-1601
 6 shall be entitled to the benefits of the provisions of this subchapter with
 7 respect to income derived by the taxpayer from employment or business activity
 8 in a city described in § 26-52-1601 upon which income tax is due the State of
 9 Arkansas under the provisions of the Arkansas Income Tax Act, as amended, §
 10 26-51-101 et seq.

11

12 26-52-604. Election proceedings.

13 (a) The governing body of a city described in § 26-52-1601 may, by
 14 ordinance, call a special election, or, upon petition of not less than ten
 15 percent (10%) of the qualified electors of the city, as determined by the
 16 number of votes cast in the city for all candidates for election to the Office
 17 of Governor of Arkansas in the immediately preceding general election, filed
 18 with the city clerk petitioning that a special election be called, a special
 19 election shall be called in the city on the question of the imposition of an
 20 additional state tax of two percent (2%) upon the gross receipts or gross
 21 proceeds derived from taxable sales within the city under the provisions of
 22 the Arkansas Gross Receipts Act, § 26-52-101 et seq. The proceeds derived
 23 therefrom shall benefit the State of Arkansas in lieu of the state income tax
 24 law applying to the net taxable income derived by individuals who are
 25 residents of the city.

26 (b) The special election shall be called not later than ninety (90)
 27 days nor earlier than sixty (60) days following the adoption of the ordinance
 28 by the governing body of the city, or the filing of petitions requesting the
 29 election.

30 (c) Notice of the special election shall be given by publication in a
 31 newspaper of general circulation within the city on two (2) occasions not more
 32 than thirty (30) days and not less than ten (10) days prior to the date of the
 33 election.

34 (d) The special election shall be held by the county board of election
 35 commissioners. The election judges and clerks shall be selected and the
 36 election shall be conducted and the results shall be tabulated and certified

1 in the manner now provided by law for the holding of elections in this state.

2 (e) On the ballot shall be printed the following issue:

3 [] FOR the levy of an additional two percent (2%) state gross receipts
4 tax in the City of , Arkansas, in
5 lieu of paying state income taxes by individuals who are residents of the
6 city.

7 [] AGAINST the levy of an additional two percent (2%) state gross receipts
8 tax in the City of , Arkansas, in
9 lieu of paying state income taxes by individuals who are residents of the
10 city.

11
12 26-52-1605. Election results - Effect.

13 (a)(1) In the event a majority of the qualified electors of the city
14 voting on the issue at the election vote FOR the imposition of an additional
15 two percent (2%) gross receipts tax on taxable sales in the city, then the
16 additional two percent (2%) tax shall be levied effective January 1 next
17 following the date of the election and thereafter.

18 (2) For as long as the additional two percent (2%) gross receipts
19 tax is levied in the city, individuals who are residents of the city shall not
20 be subject to the imposition of the Arkansas income tax, as levied by the
21 Arkansas Income Tax Act, as amended, § 26-51-101 et seq.

22 (b) If a majority of the qualified electors of the city shall vote
23 AGAINST the levy of an additional two percent (2%) gross receipts tax in lieu
24 of payment of the state income tax in the city, then the citizens of the city
25 shall continue to pay state gross receipts tax and state income tax, as
26 provided by law.

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

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32 SECTION 3. If any provision of this act or the application thereof to
33 any person or circumstance is held invalid, such invalidity shall not affect
34 other provisions or applications of the act which can be given effect without
35 the invalid provision or application, and to this end the provisions of this
36 act are declared to be severable.

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