

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

SENATE BILL 456

4  
5 By: Senator Dowd  
6 By: Representative Young

## For An Act To Be Entitled

9 "AN ACT TO IMPOSE A 1% STATE USE TAX IN BORDER CITIES IN  
10 ORDER TO EQUALIZE SALES AND USE TAX RATES IN THOSE CITIES;  
11 AND FOR OTHER PURPOSES."

## Subtitle

14 "IMPOSE 1% STATE USE TAX IN BORDER  
15 CITIES IN ORDER TO EQUALIZE SALES AND  
16 USE TAX RATES"

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

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20 SECTION 1. Title 26, Chapter 52, Subchapter 6 is amended to add a new  
21 section to read as follows:

22 "26-52-607. Levy of Use Tax. In all cities in this state divided by a  
23 street state line from an incorporated city or town in an adjoining state  
24 which does not impose an income tax that have adopted a one percent (1%) state  
25 sales tax pursuant to § 26-52-601, et seq., there is also levied an additional  
26 one percent (1%) state use tax which shall be administered and enforced in  
27 accordance with § 26-53-101, et seq."

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

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

1 act are declared to be severable.

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4 hereby repealed.

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6 SECTION 5. EMERGENCY. Whereas the General Assembly has determined that  
7 the local sales tax rate on sales by vendors in Texarkana, Arkansas is 1%  
8 higher than the local use tax rate on sales by out-of-state vendors into  
9 Texarkana, Arkansas; that this disparity affects the ability of Texarkana,  
10 Arkansas merchants to compete with out-of-state merchants; that this act will  
11 correct the disparity and allow for fair competition. Therefore, an emergency  
12 is hereby declared to exist and this act being necessary for the preservation  
13 of the public peace, health and safety shall be in full force and effect on  
14 and after July 1, 1997.

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