

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

HJR 1007

4
5 By: Representative R. Smith
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8 HOUSE JOINT RESOLUTION

9 "PROPOSING AN AMENDMENT TO THE ARKANSAS CONSTITUTION
10 TO EXEMPT ONE HUNDRED THOUSAND DOLLARS OF THE MARKET
11 VALUE OF THE PRINCIPAL RESIDENCE OF EACH TAXPAYER FROM
12 AD VALOREM PROPERTY TAXES AND TO LEVY AN ADDITIONAL
13 ONE PERCENT GROSS RECEIPTS AND COMPENSATING USE TAX TO
14 REPLACE THE RESULTING LOSS IN REVENUE. "

15 Subtitle

16 "TO EXEMPT \$100,000 OF MARKET VALUE OF
17 THE PRINCIPAL RESIDENCE OF EACH TAXPAYER
18 FROM AD VALOREM TAXES AND TO LEVY AN
19 ADDITIONAL 1% SALES AND USE TAX TO
20 REPLACE THE RESULTING LOSS IN REVENUE. "

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24 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTY-SECOND GENERAL
25 ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE SENATE, A MAJORITY OF ALL MEMBERS
26 ELECTED TO EACH HOUSE AGREEING THERETO:

27 That the following is hereby proposed as an amendment to the
28 Constitution of the State of Arkansas, and upon being submitted to the
29 electors of the state for approval or rejection at the next general election
30 for Representatives and Senators, if a majority of the electors voting thereon
31 at such election, adopt such amendment, the same shall become a part of the
32 Constitution of the State of Arkansas, to wit:

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34 SECTION 1. Effective with the assessment year 2001 and thereafter, the
35 first one hundred thousand dollars (\$100,000) of the market value of the
36 principal residence of each homeowner is exempt from ad valorem property taxes

1 except ad valorem tax millages levied and pledged on the effective date of
2 this act to secure and retire outstanding bonds. The General Assembly shall
3 have the authority to enact laws, in any regular session, to adjust the amount
4 of the exemption provided for in this section to account for economic
5 inflation or recession.

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7 SECTION 2. Effective January 1, 2001, there is hereby levied an
8 additional excise tax of one percent (1%) upon all taxable sales of property
9 and services subject to the tax levied by the Arkansas Gross Receipts Act
10 (Arkansas Code 26-52-101 through 26-52-1507). The tax shall be collected,
11 reported, and paid in the same manner and at the same time as is prescribed by
12 the Arkansas Gross Receipts Tax Act for the collection, reporting and payment
13 of the Arkansas gross receipts tax.

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15 SECTION 3. Effective January 1, 2001, there is hereby levied an
16 additional excise tax of one percent (1%) upon all tangible personal property
17 subject to the tax levied in the Arkansas Compensating Tax Act (Arkansas Code
18 26-53-101 through 26-53-303). The tax shall be collected, reported, and paid
19 in the same manner and at the same time as is prescribed by the Arkansas
20 Compensating Tax Act for the collection, reporting and payment of Arkansas
21 compensating taxes.

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23 SECTION 4. (a) The revenues generated by Sections 2 and 3 of this act
24 shall be deposited in the "Property Tax Relief Fund" hereby created on the
25 books of the Treasurer of State, Auditor of State and the Chief Fiscal Officer
26 of the State.

27 (b) Beginning January 1, 2002, the funds in the Property Tax Relief
28 Fund shall be remitted monthly to the respective county treasurers for
29 allocation and distribution to the various taxing units in the counties which
30 levy ad valorem taxes. Each such taxing unit shall annually receive an amount
31 equal to the difference in the amount of real property ad valorem tax revenues
32 received by the taxing unit in year 2001, based on the year 2000 assessment,
33 and the amount of revenues to be received by the taxing unit in year 2002,
34 based on the 2001 assessment. Funds so received by the various taxing units
35 shall be used for the same purposes and in the same proportions as ad valorem
36 tax revenues lost as a result of the exemption provided for in Section 1 would

1 have been used if collected.

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3 SECTION 5. The General Assembly shall enact legislation to implement
4 the provisions of the amendment and to prevent abuse of the exemption granted
5 herein.

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7 SECTION 6. The provisions of this act shall be effective on and after
8 January 1, 2001.

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