

Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.

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

HJR 1009

4
5 By: Representative Kidd
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8 **HOUSE JOINT RESOLUTION**

9 "PROPOSING AN AMENDMENT TO THE ARKANSAS CONSTITUTION
10 TO ABOLISH AD VALOREM PROPERTY TAXES ON CERTAIN
11 PERSONAL PROPERTY AND TO LEVY AN ADDITIONAL THREE-
12 EIGHTS (3/8TH) OF ONE PERCENT (1%) STATE SALES AND USE
13 TAX TO COMPENSATE TAXING UNITS FOR THE LOSS IN
14 REVENUE. "

15
16 **Subtitle**

17 "A CONSTITUTIONAL AMENDMENT TO ABOLISH AD
18 VALOREM PROPERTY TAXES ON CERTAIN
19 PERSONAL PROPERTY AND TO LEVY AN
20 ADDITIONAL 3/8TH OF 1% STATE SALES AND
21 USE TAX TO COMPENSATE TAXING UNITS FOR
22 THE LOSS IN REVENUE. "

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

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

35
36 SECTION 1. Article 16 § 5 of the Arkansas Constitution is amended to

1 read as follows:

2 "§ 5. Property taxed according to value - Procedures for valuation - Tax
3 exemptions.

4 (a) All real and tangible personal property subject to taxation shall
5 be taxed according to its value, that value to be ascertained in such manner
6 as the General Assembly shall direct, making the same equal and uniform
7 throughout the State. No one species of property for which a tax may be
8 collected shall be taxed higher than another species of property of equal
9 value, except as provided and authorized in Section 15 of this Article, and
10 except as authorized in Section 14 of this Article. The General Assembly, upon
11 the approval thereof by a vote of not less than three-fourths (3/4ths) of the
12 members elected to each house, may establish the methods and procedures for
13 valuation of property for taxation purposes, but may not alter the method of
14 valuation set forth in Section 15 of this Article.

15 (b) The following property shall be exempt from taxation: tangible
16 personal property owned by an individual and required to be licensed or
17 registered by the state, public property used exclusively for public purposes;
18 churches used as such; cemeteries used exclusively as such; school buildings
19 and apparatus; libraries and grounds used exclusively for school purposes; and
20 buildings and grounds and materials used exclusively for public charity.

21 Nothing in this Section shall affect or repeal the provision of
22 Amendment 57 to the Constitution of the State of Arkansas pertaining to
23 intangible personal property. [Added by Const. Amend. 59.]"

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25 SECTION 2. There is hereby levied an additional excise tax of three-
26 eighths (3/8th) of one percent (1%) upon all taxable sales of property and
27 services subject to the tax levied by the Arkansas Gross Receipts Act
28 (Arkansas Code §§ 26-52-101 through 26-52-1507). The tax shall be collected,
29 reported, and paid in the same manner and at the same time as is prescribed by
30 the Arkansas Gross Receipts Tax Act for the collection, reporting and payment
31 of the Arkansas gross receipts tax.

32
33 SECTION 3. There is hereby levied an additional excise tax of three-
34 eighths (3/8th) of one percent (1%) upon all tangible personal property
35 subject to the tax levied in the Arkansas Compensating Tax Act (Arkansas Code
36 26-53-101 through 26-53-303). The tax shall be collected, reported, and paid

1 in the same manner and at the same time as is prescribed by the Arkansas
2 Compensating Tax Act for the collection, reporting and payment of Arkansas
3 compensating taxes.

4
5 SECTION 4. (a) The revenues generated by Sections 2 and 3 of this
6 amendment shall be deposited in the "Property Tax Relief Fund" hereby created
7 on the books of the Treasurer of State, Auditor of State and the Chief Fiscal
8 Officer of the State.

9 (b) Each county treasurer shall certify to the Department of Finance
10 and Administration, the amount of revenues lost by each taxing unit located
11 within the county for the year 2002, based on the year 2001 assessment.

12 (c) Beginning January 1, 2002, the revenues in the Property Tax Relief
13 Fund shall be distributed to the respective taxing units in the state which
14 levy ad valorem taxes, with each such taxing unit to receive a percentage of
15 the total funds in the Property Tax Relief Fund that the ad valorem tax
16 revenues lost by the taxing unit in the year 2002, based on the 2001
17 assessment, as a result of the exemption provided for in Section 1 hereof,
18 bears to the total amount of such revenues lost in the year 2002, based on the
19 2001 assessment, by all such taxing units in the state.

20 (d) The revenues distributed pursuant to this section shall be used for
21 the same purposes and in the same manner as those revenues lost as a result of
22 Section 1 of this amendment.

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

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