

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

HJR 1010

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 NINETY THOUSAND DOLLARS (\$90,000) OF THE
11 MARKET VALUE OF THE PRINCIPAL RESIDENCE OF EACH
12 TAXPAYER AND PERSONAL PROPERTY WHICH IS NOT USED FOR
13 BUSINESS PURPOSES FROM AD VALOREM PROPERTY TAXES AND
14 TO LEVY AN ADDITIONAL ONE PERCENT GROSS RECEIPTS AND
15 COMPENSATING USE TAX TO REPLACE THE RESULTING LOSS IN
16 REVENUE. "

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18 **Subtitle**

19 "TO EXEMPT \$90,000 OF THE VALUE OF A
20 PRINCIPAL RESIDENCE AND CERTAIN PERSONAL
21 PROPERTY FROM AD VALOREM TAX, TO LEVY A
22 1% SALES TAX. "

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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:

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36 SECTION 1. (a) Effective with the assessment year 2001 and thereafter,

1 the first ninety thousand dollars (\$90,000) of the market value of the
2 principal residence of each homeowner is exempt from ad valorem property taxes
3 except ad valorem tax millages levied and pledged on the effective date of
4 this act to secure and retire outstanding bonds. The General Assembly shall
5 have the authority to enact laws, in any regular session, to adjust the amount
6 of the exemption provided for in this section to account for economic
7 inflation or recession.

8 (b) Effective with the assessment year 2001 and thereafter, personal
9 property which is not used for a business purpose is exempt from ad valorem
10 property taxes except ad valorem tax millages levied and pledged on the
11 effective date of this act to secure and retire outstanding bonds.

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

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21 SECTION 3. Effective January 1, 2001, there is hereby levied an
22 additional excise tax of one percent (1%) upon all tangible personal property
23 subject to the tax levied in the Arkansas Compensating Tax Act (Arkansas Code
24 26-53-101 through 26-53-303). The tax shall be collected, reported, and paid
25 in the same manner and at the same time as is prescribed by the Arkansas
26 Compensating Tax Act for the collection, reporting and payment of Arkansas
27 compensating taxes.

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

33 (b) Beginning January 1, 2002, the funds in the Property Tax Relief
34 Fund shall be remitted monthly to the respective county treasurers for
35 allocation and distribution to the various taxing units in the counties which
36 levy ad valorem taxes. Each such taxing unit shall annually receive an amount

1 equal to the difference in the amount of real and personal property ad valorem
2 tax revenues received by the taxing unit in year 2001, based on the year 2000
3 assessment, and the amount of revenues to be received by the taxing unit in
4 year 2002, based on the 2001 assessment. Funds so received by the various
5 taxing units shall be used for the same purposes and in the same proportions
6 as ad valorem tax revenues lost as a result of the exemptions provided for in
7 Section 1 would have been used if collected.

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

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