

State of Arkansas

82nd General Assembly

Regular Session, 1999

# A Bill

SENATE BILL 822

By: Senator Critcher

## For An Act To Be Entitled

"AN ACT TO INCREASE THE EXCISE TAX LEVIED ON MOTOR FUEL BY TWO CENTS (2¢) AND DISTILLATE SPECIAL FUEL BY FOUR CENTS (4¢) PER GALLON PER YEAR; TO LEVY AN ADDITIONAL THREE EIGHTHS OF ONE CENT (3/8 OF 1¢) GROSS RECEIPTS AND COMPENSATING USE TAX; TO PROVIDE FOR DISTRIBUTION OF THE REVENUES GENERATED BY THE ADDITIONAL TAXES; AND FOR OTHER PURPOSES. "

## Subtitle

"TO INCREASE THE MOTOR FUEL AND DISTILLATE SPECIAL FUEL TAXES; TO INCREASE THE SALES AND USE TAX BY 3/8 OF 1%; TO PROVIDE FOR DISTRIBUTION OF THE REVENUES GENERATED BY THE ADDITIONAL TAXES. "

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

SECTION 1. Arkansas Code 26-56-201, relating to fuel tax, is amended to add to the end thereof a new subsection to read as follows:

"(e)(1) In addition to the taxes levied on distillate special fuels in this section and Arkansas Code 26-56-502 and Arkansas Code 26-56-601, there is hereby levied an additional excise tax of four cents (4¢) per gallon upon all distillate special fuels subject to the taxes levied in those code sections.

(2) This additional excise tax shall be levied, collected, reported, and paid in the same manner and at the same time as is prescribed by law for the levying, collection, reporting, and payment of the other

1 distillate special fuels taxes under Arkansas law.

2 (3) The additional tax levied by this subsection shall be taken  
3 into consideration and used when calculating tax credits or additional tax due  
4 under Arkansas Code 26-56-214."

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6 SECTION 2. Title 26, Chapter 55, Subchapter 10 of the Arkansas Code is  
7 amended to add the following new section to the end thereof to be  
8 appropriately numbered by the Code Revision Commission:

9 "(a) In addition to the taxes levied on motor fuel in 26-55-205, 26-55-  
10 1002 and 26-55-1201, there is hereby levied an additional excise tax of two  
11 cent (2¢) per gallon upon all motor fuels subject to the taxes levied in those  
12 code sections.

13 (b) The tax shall be collected, reported, and paid in the same manner  
14 and at the same time as is prescribed by law for the collection, reporting,  
15 and payment of the other motor fuel taxes under Arkansas law.

16 (c) The additional tax levied by this subsection shall be taken into  
17 consideration and used when calculating tax credits or additional tax due  
18 under Arkansas Code 26-55-710."

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

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28 SECTION 4. There is hereby levied an additional excise tax of three-  
29 eighths of one percent (3/8ths of 1%) upon all tangible personal property  
30 subject to the tax levied by the Arkansas Compensating Tax Act (Arkansas Code  
31 26-53-101 through 26-53-303). The tax shall be collected, reported, and paid  
32 in the same manner and at the same time as is prescribed by the Arkansas  
33 Compensating Tax Act for the collection, reporting and payment of the Arkansas  
34 compensating taxes.

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36 SECTION 5. The additional taxes collected pursuant to this act shall be

1 considered special revenues and shall be distributed as set forth in the  
2 Arkansas Highway Revenue Distribution Law, beginning at Arkansas Code § 27-70-  
3 201.

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5 SECTION 6. (a) If the bond issue provided in the Arkansas Highway  
6 Financing Act of 1999, is not approved by the voters, the effective date of  
7 the taxes levied by this act shall be the first day of the calendar quarter  
8 subsequent to the election.

9 (b) If the bond issue provided in the Arkansas Highway Financing Act of  
10 1999 is approved by the voter, the taxes levied by this act shall not become  
11 effective.

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13 SECTION 7. The taxes levied pursuant to Sections 3 and 4 of this act  
14 shall expire on July 1, 2003.

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16 SECTION 8. All provisions of this act of a general and permanent nature  
17 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
18 Revision Commission shall incorporate the same in the Code.

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20 SECTION 9. If any provision of this act or the application thereof to  
21 any person or circumstance is held invalid, such invalidity shall not affect  
22 other provisions or applications of the act which can be given effect without  
23 the invalid provision or application, and to this end the provisions of this  
24 act are declared to be severable.

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26 SECTION 10. All laws and parts of laws in conflict with this act are  
27 hereby repealed.

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29 SECTION 11. EMERGENCY CLAUSE. It is hereby found and determined by the  
30 Eighty-second General Assembly that existing highway user revenue sources do  
31 not provide sufficient funds for the necessary maintenance, repair,  
32 construction and reconstruction of state highways, county roads and municipal  
33 streets; that there is an immediate and urgent need for adequate state  
34 highways, county roads and municipal streets; that the continued economic  
35 expansion and growth of this state will be jeopardized if an adequate system  
36 of state highways, county roads and municipal streets is not provided; and

1 that only by the immediate passage of this act may such vitally needed  
2 additional funds be provided to solve these problems. Therefore, an emergency  
3 is declared to exist and this act being immediately necessary for the  
4 preservation of the public peace, health and safety shall become effective on  
5 the date of its approval by the Governor. If the bill is neither approved nor  
6 vetoed by the Governor, it shall become effective on the expiration of the  
7 period of time during which the Governor may veto the bill. If the bill is  
8 vetoed by the Governor and the veto is overridden, it shall become effective  
9 on the date the last house overrides the veto.