

State of Arkansas *As Engrossed: S2/3/99*

82nd General Assembly

Regular Session, 1999

SJR 5

By: Senator Gwatney

SENATE JOINT RESOLUTION

"PROPOSING AN AMENDMENT TO THE ARKANSAS CONSTITUTION
TO ABOLISH REAL AND PERSONAL PROPERTY TAXES AND TO
INCREASE THE STATE SALES AND USE TAX BY TWO AND
THREE-FOURTHS PERCENT (2.75%)."

Subtitle

"A CONSTITUTIONAL AMENDMENT TO REPLACE
PROPERTY TAXES WITH A SALES TAX
INCREASE."

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

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

SECTION 1. All ad valorem taxes upon real and personal property are
hereby abolished as of January 1, 2001. Taxes assessed prior to January 1,
2001 shall be collected, paid and distributed in the manner currently
established by law.

SECTION 2. (a) In addition to the excise tax levied upon the gross
proceeds or gross receipts derived from all sales by the Arkansas Gross

1 Receipts Act, beginning at Arkansas Code § 26-52-101, there is levied an excise
2 tax of two and three-fourths percent (2.75%) upon all taxable sales of property
3 and services subject to the tax levied in that act. This tax shall be
4 collected, reported, and paid in the same manner and at the same time as is
5 prescribed by law for the collection, reporting, and payment of all other
6 Arkansas gross receipts taxes. In computing gross receipts or gross proceeds as
7 defined in Arkansas Code § 26-52-103(a)(4), a deduction shall be allowed for
8 bad debts resulting from the sale of tangible personal property.

9 (b) In addition to the excise tax levied upon the privilege of storing,
10 using, or consuming tangible personal property within this state by the
11 Arkansas Compensating Tax Act, beginning at Arkansas Code § 26-53-101, there is
12 levied an excise tax of two and three-fourths percent (2.75%) upon all tangible
13 personal property subject to the tax levied in that act, and the tax shall be
14 collected, reported, and paid in the same manner and at the same time as is
15 prescribed by law for the collection, reporting, and payment of state
16 compensating taxes.

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18 SECTION 3. The General Assembly may enact any laws it deems necessary
19 to implement this amendment.

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21 SECTION 4. This amendment becomes effective on and after January 1,
22 2001.

23 /s/ Gwatney
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