

1 State of Arkansas
2 84th General Assembly
3 First Extraordinary Session, 2003

A Bill

Call Item 17

HOUSE BILL 1035

4
5 By: Representative Lendall
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For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS CODE § 26-58-111 TO
10 REVISE THE RATES FOR SEVERANCE TAX ON NATURAL GAS
11 PRODUCED IN THIS STATE; AND FOR OTHER PURPOSES.
12

Subtitle

14 TO REVISE THE RATES FOR SEVERANCE TAX ON
15 NATURAL GAS PRODUCED IN THIS STATE.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code § 26-58-111(5), concerning the severance tax
21 rate on natural gas, is amended to read as follows:

22 (5) On natural gas, ~~three tenths of one cent (3/10 of 1¢) per one~~
23 ~~thousand cubic feet (1,000 cu. ft.)~~ five percent (5%) of the market value at
24 the time and point of severance;
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26 SECTION 2. The effective date of this act is July 1, 2003.
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28 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
29 General Assembly of the State of Arkansas that due to a decline in the
30 economy, additional general revenues must be found to ensure that the state
31 can maintain essential services, meet the commitments of existing programs,
32 and provide new and expanded services to the citizens of this state; that the
33 severance tax on natural gas produced in this state is substantially lower
34 than the severance tax levied on natural gas produced in neighboring states;
35 and that this act is immediately necessary to generate additional general
36 revenues because increasing the severance tax levied on natural gas produced



1 in this state will provide additional funding for essential services.
2 Therefore, an emergency is declared to exist and this act being immediately
3 necessary for the preservation of the public peace, health, and safety shall
4 become effective on July 1, 2003.

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