

1 State of Arkansas
2 84th General Assembly
3 Second Extraordinary Session, 2003
4

As Engrossed: H1/14/04
A Bill

Call Item 6

HOUSE BILL 1093

5 By: Representatives Matayo, Anderson, Harris, Kenney, Key, Rosenbaum
6
7

For An Act To Be Entitled

9 TO REPEAL THE INCOME TAX SURCHARGE LEVIED UNDER
10 ACT 38 OF THE FIRST EXTRAORDINARY SESSION OF
11 2003; AND FOR OTHER PURPOSES.
12

Subtitle

14 TO REPEAL THE INCOME TAX SURCHARGE.
15
16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 SECTION 1. Arkansas Code § 26-51-207, as added by Section 3 of Act 38
20 of the First Extraordinary Session of 2003, is repealed.

21 ~~26-51-207. Income tax surcharge.~~

22 ~~(a) In addition to the tax levied by §§ 26-51-201 through 26-51-206,~~
23 ~~26-51-301, and 26-51-302, there is hereby levied an income tax surcharge of~~
24 ~~three percent (3%) of the tax liability of every person required to file an~~
25 ~~Arkansas income tax return.~~

26 ~~(b)(1) If an individual is a resident of an Arkansas border city~~
27 ~~described in §§ 26-52-601 through 26-52-607, then the individual shall be~~
28 ~~liable for the income tax surcharge levied in subsection (a) of this section.~~

29 ~~(2) The surcharge shall be computed on the tax liability that~~
30 ~~would have been due had the income tax exemption of §§ 26-52-601 through 26-~~
31 ~~52-607 not been available.~~

32 ~~(3) The income tax exemption of §§ 26-52-601 through 26-52-607~~
33 ~~shall not apply to the income tax levied in subsection (a) of this section.~~

34 ~~(c) The revenues derived from the additional tax imposed by this~~
35 ~~section shall be credited to the General Revenue Fund Account of the State~~
36 ~~Apportionment Fund, there to be distributed with the other gross general~~



1 ~~revenue collections.~~

2 ~~(d) For purposes of this section, "tax liability" means the tax~~
3 ~~imposed pursuant to §§ 26-51-201 through 26-51-206, 26-51-301, and 26-52-302,~~
4 ~~before the application of any tax credits.~~

5 ~~(e) This section shall apply to tax years beginning in calendar~~
6 ~~years 2003 and 2004.~~

7 ~~(f)(1) This section shall also continue to apply to tax years~~
8 ~~beginning on and after January 1, 2005, except as provided in this subsection~~
9 ~~(f).~~

10 ~~(2) When the budget estimates required by § 19-4-202(b) for the~~
11 ~~fiscal year ending June 30, 2006, reflect projected growth in general~~
12 ~~revenues available for distribution equal to or in excess of one hundred~~
13 ~~twenty one million dollars (\$121,000,000), then the tax rate levied in § 26-~~
14 ~~51-207 shall be reduced or expire in accordance with this subsection (f).~~

15 ~~(3)(A) When the budget estimates required by § 19-4-202(b) for~~
16 ~~the fiscal year ending June 30, 2006, reflect projected growth in general~~
17 ~~revenues available for distribution equal to or in excess of one hundred~~
18 ~~fifty six million dollars (\$156,000,000), then the tax levied in § 26-51-207~~
19 ~~shall expire for tax years beginning on and after January 1, 2005.~~

20 ~~(B) When the budget estimates required by § 19-4-202(b) for the~~
21 ~~fiscal year ending June 30, 2006, reflect projected growth in general~~
22 ~~revenues available for distribution equal to or in excess of one hundred~~
23 ~~thirty nine million dollars (\$139,000,000) but less than one hundred fifty-~~
24 ~~six million dollars (\$156,000,000), then the tax rate levied in § 26-51-207~~
25 ~~shall be reduced to one percent (1%) for tax years beginning in calendar year~~
26 ~~2005 and for subsequent years.~~

27 ~~(C) When the budget estimates required by § 19-4-202(b) for the~~
28 ~~fiscal year ending June 30, 2006, reflect projected growth in general~~
29 ~~revenues available for distribution equal to or in excess of one hundred~~
30 ~~twenty one million dollars (\$121,000,000) but less than one hundred thirty-~~
31 ~~nine million dollars (\$139,000,000), then the tax rate levied in § 26-51-207~~
32 ~~shall be reduced to two percent (2%) for tax years beginning in calendar year~~
33 ~~2005 and for subsequent years.~~

34
35 SECTION 2. This act shall apply to tax years beginning on or after
36 January 1, 2003.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

/s/ Matayo, et al