1   State of Arkansas   Call Item 6

2   84th General Assembly   A Bill

3   Second Extraordinary Session, 2003   HOUSE BILL   1093

4

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

6   By: Senator Bisbee

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9   **For An Act To Be Entitled**

10   TO REPEAL THE INCOME TAX SURCHARGE LEVIED UNDER

11   ACT 38 OF THE FIRST EXTRAORDINARY SESSION OF

12   2003; AND FOR OTHER PURPOSES.

13

14   **Subtitle**

15   TO REPEAL THE INCOME TAX SURCHARGE.

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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 § 26-51-207, as added by Section 3 of Act 38

21   of the First Extraordinary Session of 2003, is repealed.

22   26-51-207. Income tax surcharge.

23   (a) In addition to the tax levied by §§ 26-51-201 through 26-51-206,

24   26-51-301, and 26-51-302, there is hereby levied an income tax surcharge of

25   three percent (3%) of the tax liability of every person required to file an

26   Arkansas income tax return.

27   (b)(1) If an individual is a resident of an Arkansas border city

28   described in §§ 26-52-601 through 26-52-607, then the individual shall be

29   liable for the income tax surcharge levied in subsection (a) of this section.

30   (2) The surcharge shall be computed on the tax liability that

31   would have been due had the income tax exemption of §§ 26-52-601 through 26-

32   52-607 not been available.

33   (3) The income tax exemption of §§ 26-52-601 through 26-52-607

34   shall not apply to the income tax levied in subsection (a) of this section.

35   (c) The revenues derived from the additional tax imposed by this

36   section shall be credited to the General Revenue Fund Account of the State

1   Apportionment Fund, there to be distributed with the other gross general

2   revenue collections.

3   (d) For purposes of this section, "tax liability" means the tax

4   imposed pursuant to §§ 26-51-201 through 26-51-206, 26-51-301, and 26-52-302,

5   before the application of any tax credits.

6   (e) This section shall apply to tax years beginning in calendar

7   years 2003 and 2004.

8   (f)(1) This section shall also continue to apply to tax years

9   beginning on and after January 1, 2005, except as provided in this subsection

10 (f).

11   (2) When the budget estimates required by § 19-4-202(b) for the

12 fiscal year ending June 30, 2006, reflect projected growth in general

13 revenues available for distribution equal to or in excess of one hundred

14 twenty-one million dollars ($121,000,000), then the tax rate levied in § 26-

15 51-207 shall be reduced or expire in accordance with this subsection (f).

16   (3)(A) When the budget estimates required by § 19-4-202(b) for

17 the fiscal year ending June 30, 2006, reflect projected growth in general

18 revenues available for distribution equal to or in excess of one hundred

19 fifty-six million dollars ($156,000,000), then the tax levied in § 26-51-207

20 shall expire for tax years beginning on and after January 1, 2005.

21   (B) When the budget estimates required by § 19-4-202(b) for the

22 fiscal year ending June 30, 2006, reflect projected growth in general

23 revenues available for distribution equal to or in excess of one hundred

24 thirty-nine million dollars ($139,000,000) but less than one hundred fifty-

25 six million dollars ($156,000,000), then the tax rate levied in § 26-51-207

26 shall be reduced to one percent (1%) for tax years beginning in calendar year

27 2005 and for subsequent years.

28   (C) When the budget estimates required by § 19-4-202(b) for the

29 fiscal year ending June 30, 2006, reflect projected growth in general

30 revenues available for distribution equal to or in excess of one hundred

31 twenty-one million dollars ($121,000,000) but less than one hundred thirty-

32 nine million dollars ($139,000,000), then the tax rate levied in § 26-51-207

33 shall be reduced to two percent (2%) for tax years beginning in calendar year

34 2005 and for subsequent years.

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36   SECTION 2. This act shall apply to tax years beginning on or after

1   <u>January 1, 2003.</u>

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