

State of Arkansas

*As Engrossed: S12/22/03*

Call Item 6

84th General Assembly

# A Bill

Second Extraordinary Session, 2003

SENATE BILL 39

By: Senator Glover

## For An Act To Be Entitled

AN ACT TO LEVY AN ADDITIONAL EXCISE TAX OF ONE-  
HALF OF ONE PERCENT (0.5%) UPON ALL TAXABLE SALES  
OF PROPERTY AND SERVICES SUBJECT TO THE TAX  
LEVIED BY THE ARKANSAS GROSS RECEIPTS TAX ACT AND  
UPON ALL TANGIBLE PERSONAL PROPERTY AND SERVICES  
SUBJECT TO THE TAX LEVIED BY THE ARKANSAS  
COMPENSATING TAX ACT; TO CREATE THE EDUCATIONAL  
ADEQUACY TRUST FUND; AND FOR OTHER PURPOSES.

## Subtitle

*LEVIES AN ADDITIONAL (0.5%) SALES AND  
USE TAX AND CREATES THE EDUCATIONAL  
ADEQUACY TRUST FUND.*

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

SECTION 1. Arkansas Code § 26-52-302 is amended to read as follows:

26-52-302. Additional taxes levied.

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



(b) In addition to the excise tax levied upon the gross proceeds or gross receipts derived from all sales by the Arkansas Gross Receipts Act, § 26-52-101 et seq., there is hereby levied an excise tax of one-half of one percent (0.5%) upon all taxable sales of property and services subject to the tax levied in that act, and such tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of all other Arkansas gross receipts taxes. Provided that, in computing gross receipts or gross proceeds as defined in § 26-52-103(a)(4), a deduction shall be allowed for bad debts resulting from the sale of tangible personal property.

(c)(1) Beginning January 1, 2001, there is hereby levied an additional excise tax of one-half of one percent (0.5%) upon all taxable sales of property and services subject to the tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(2) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment of Arkansas gross receipts taxes.

(d)(1) Beginning March 1, 2004, there is levied an additional excise tax of one-half of one percent (0.5%) upon all taxable sales of property and services subject to the tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(2) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment of Arkansas gross receipts taxes.

SECTION 2. Arkansas Code § 26-53-107 is amended to read as follows:

26-53-107. Additional taxes levied. [Effective until contingency in Acts 2003, No. 1273, § 88 is met.]

(a) In addition to the excise tax levied upon the privilege of storing, using, distributing, or consuming tangible personal property within this state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is levied an excise tax of one percent (1%) upon all tangible personal property subject to the tax levied in that act, and the tax shall be collected, reported, and paid in the same manner and at the same time as is

1 prescribed by law for the collection, reporting, and payment of state  
2 compensating taxes.

3 (b) In addition to the excise tax levied upon the privilege of  
4 storing, using, distributing, or consuming tangible personal property within  
5 the state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is  
6 hereby levied an excise tax of one-half of one percent (0.5%) upon all  
7 tangible personal property subject to the tax levied in that act, and such  
8 tax shall be collected, reported, and paid in the same manner and at the same  
9 time as is prescribed by law for the collection, reporting, and payment of  
10 Arkansas compensating taxes.

11 (c)(1) Beginning January 1, 2001, there is hereby levied an additional  
12 excise tax of one-half of one percent (0.5%) upon all tangible personal  
13 property subject to the tax levied by the Arkansas Compensating Tax Act of  
14 1949, § 26-53-101 et seq.

15 (2) The tax shall be collected, reported, and paid in the same  
16 manner and at the same time as is prescribed by the Arkansas Compensating Tax  
17 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment  
18 of Arkansas compensating taxes.

19 (d)(1) Beginning March 1, 2004, there is levied an additional excise  
20 tax of one-half of one percent (0.5%) upon all tangible personal property  
21 subject to the tax levied by the Arkansas Compensating Tax Act of 1949, § 26-  
22 53-101 et seq.

23 (2) The tax shall be collected, reported, and paid in the same  
24 manner and at the same time as is prescribed by the Arkansas Compensating Tax  
25 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment  
26 of Arkansas compensating taxes.

27  
28 SECTION 3. Arkansas Code § 26-53-107 is amended to read as follows:

29 26-53-107. Additional taxes levied. [Effective when contingency in  
30 Acts 2003, No. 1273, § 88 is met.]

31 (a) In addition to the excise tax levied upon the privilege of  
32 storing, using, distributing, or consuming tangible personal property and  
33 taxable services within this state by the Arkansas Compensating Tax Act of  
34 1949, § 26-53-101 et seq., there is levied an excise tax of one percent (1%)  
35 upon all tangible personal property and taxable services subject to the tax  
36 levied in that act, and the tax shall be collected, reported, and paid in the

1 same manner and at the same time as is prescribed by law for the collection,  
2 reporting, and payment of state compensating taxes.

3 (b) In addition to the excise tax levied upon the privilege of  
4 storing, using, distributing, or consuming tangible personal property and  
5 taxable services within the state by the Arkansas Compensating Tax Act of  
6 1949, § 26-53-101 et seq., there is hereby levied an excise tax of one-half  
7 of one percent (0.5%) upon all tangible personal property and taxable  
8 services subject to the tax levied in that act, and the tax shall be  
9 collected, reported, and paid in the same manner and at the same time as is  
10 prescribed by law for the collection, reporting, and payment of Arkansas  
11 compensating taxes.

12 (c)(1) Beginning January 1, 2001, there is hereby levied an additional  
13 excise tax of one-half of one percent (0.5%) upon all tangible personal  
14 property and taxable services subject to the tax levied by the Arkansas  
15 Compensating Tax Act of 1949, § 26-53-101 et seq.

16 (2) The tax shall be collected, reported, and paid in the same  
17 manner and at the same time as is prescribed by the Arkansas Compensating Tax  
18 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment  
19 of Arkansas compensating taxes.

20 (d)(1) Beginning March 1, 2004, there is levied an additional excise  
21 tax of one-half of one percent (0.5%) upon all tangible personal property and  
22 taxable services subject to the tax levied by the Arkansas Compensating Tax  
23 Act of 1949, § 26-53-101 et seq.

24 (2) The tax shall be collected, reported, and paid in the same  
25 manner and at the same time as is prescribed by the Arkansas Compensating Tax  
26 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment  
27 of Arkansas compensating taxes.

28  
29 SECTION 4. Arkansas Code § 26-52-311(b)(1), pertaining to the rental  
30 vehicle tax, is amended to read as follows:

31 (b)(1) In addition to the rate in subsection (c) of this section, the  
32 rental vehicle tax shall be levied at the ~~same rate as the combined gross~~  
33 ~~receipts taxes levied by §§ 26-52-301 and 26-52-302 and any act supplemental~~  
34 ~~thereto~~ rate of five percent (5%) and the rate of any applicable municipal or  
35 county taxes.  
36

SECTION 5. Educational Adequacy Trust Fund.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the Educational Adequacy Trust Fund.

(b) The fund shall consist of such revenues as generated by §§ 26-52-302(d) and 26-53-107(d).

(c) On the last day of the month, the Treasurer of State shall transfer amounts available in the Educational Adequacy Trust Fund to the Department of Education Public School Fund Account established in Arkansas Code § 19-5-305, to be used for teacher salaries. The Treasurer of State shall make the transfer after making the deductions required from the net special revenues as set out in Arkansas Code § 19-5-203(b)(2)(A).

SECTION 6. *Title 6, Chapter 17, Subchapter 10 is amended to add a new section as follows:*

6-17-1005. Minimum base salary -- 2004-2005.

(a) In school year 2004-2005, the board of directors in each school district in the state shall pay their teachers upon a salary schedule that:

(1) Has annual increments for education and experience;

(2) Provides for a base salary;

(3) Provides for a minimum salary for a teacher with a master's degree and at least fifteen (15) years of experience.

(b)(1) In school year 2004-2005, each school district in the state shall have in place a salary schedule with at least the following levels of compensation:

<u>Years Experience</u>	<u>BA Degree Salary</u>	<u>MA Degree Salary</u>
<u>0</u>	<u>\$27,891</u>	<u>\$30,750</u>
<u>1</u>	<u>28,449</u>	<u>31,365</u>
<u>2</u>	<u>29,018</u>	<u>31,992</u>
<u>3</u>	<u>29,598</u>	<u>32,632</u>
<u>4</u>	<u>30,190</u>	<u>33,285</u>
<u>5</u>	<u>30,795</u>	<u>33,951</u>
<u>6</u>	<u>31,410</u>	<u>34,630</u>
<u>7</u>	<u>32,039</u>	<u>35,323</u>
<u>8</u>	<u>32,679</u>	<u>36,029</u>
<u>9</u>	<u>33,333</u>	<u>36,750</u>

1	<u>10</u>	<u>34,000</u>	<u>37,485</u>
2	<u>11</u>	<u>34,680</u>	<u>38,235</u>
3	<u>12</u>	<u>35,374</u>	<u>39,000</u>
4	<u>13</u>	<u>36,082</u>	<u>39,780</u>
5	<u>14</u>	<u>36,804</u>	<u>40,576</u>
6	<u>15</u>	<u>37,540</u>	<u>41,388</u>

7 (c) As used in this section, "teacher" shall include any full-time  
 8 employee of a local public school district:

9 (1) Who is compelled by law to secure a license from the State  
 10 Board of Education as a condition precedent to employment in a position in or  
 11 related to grades prekindergarten through twelve (preK-12) of the public  
 12 schools of this state; and

13 (2) Who is:

14 (A) Engaged directly in instruction with students in a  
 15 classroom setting for more than seventy percent (70%) of the individual's  
 16 contracted time;

17 (B) A guidance counselor; or

18 (C) A librarian.

19  
 20 SECTION 7. Arkansas Code § 6-17-1001 is repealed.

21 ~~6-17-1001. Minimum base salary—Master's degree.~~

22 ~~(a)(1) The board of directors in each school district in the state~~  
 23 ~~shall pay its teachers upon a salary schedule which has annual increments for~~  
 24 ~~education and experience and which provides for a base salary, a minimum~~  
 25 ~~salary for a teacher with a master's degree, and at least fifteen (15) years~~  
 26 ~~of experience as described in this section.~~

27 ~~(2) Beginning with the 2003-2004 school year, the teacher's~~  
 28 ~~experience for purposes of salary and benefits shall be his or her total~~  
 29 ~~years in any school district in the state and shall not be based on only the~~  
 30 ~~years in the district in which he or she is currently employed.~~

31 ~~(b) In school year 2000-2001 and in each school year thereafter, no~~  
 32 ~~school district shall pay its teachers with a bachelor's degree and no~~  
 33 ~~experience less than twenty-one thousand eight hundred sixty dollars~~  
 34 ~~(\$21,860).~~

35 ~~(c) In school year 2000-2001 and in each school year thereafter,~~  
 36 ~~school districts shall pay teachers with a master's degree and no experience~~

~~at least one hundred fifteen percent (115%) of the minimum base salary prescribed in subsection (b) of this section.~~

~~(d) In school year 2001-2002 and in each school year thereafter, school districts shall pay a teacher with a master's degree and at least fifteen (15) years of experience one hundred fifty percent (150%) of the state minimum base salary.~~

~~(e)(1) In school year 1995-1996 and in each school year thereafter, each school district in the state shall have in place a salary schedule which provides at least fourteen (14) annual increments for experience.~~

~~(2) In school year 2001-2002 and in each school year thereafter, each school district in the state shall have in place a salary schedule which provides at least fifteen (15) annual increments for experience.~~

~~(3) In school year 2001-2002 and in each school year thereafter, each school district in the state shall have in place a salary schedule with at least the following minimum levels of compensation:~~

<del>Years Experience</del>	<del>BA Degree Salary</del>	<del>MA Degree Salary</del>
<del>0</del>	<del>\$21,860</del>	<del>\$25,139</del>
<del>1</del>	<del>22,304</del>	<del>25,649</del>
<del>2</del>	<del>22,748</del>	<del>26,159</del>
<del>3</del>	<del>23,192</del>	<del>26,669</del>
<del>4</del>	<del>23,636</del>	<del>27,179</del>
<del>5</del>	<del>24,080</del>	<del>27,689</del>
<del>6</del>	<del>24,524</del>	<del>28,199</del>
<del>7</del>	<del>24,968</del>	<del>28,709</del>
<del>8</del>	<del>25,412</del>	<del>29,219</del>
<del>9</del>	<del>25,856</del>	<del>29,729</del>
<del>10</del>	<del>26,300</del>	<del>30,239</del>
<del>11</del>	<del>26,744</del>	<del>30,749</del>
<del>12</del>	<del>27,188</del>	<del>31,259</del>
<del>13</del>	<del>27,632</del>	<del>31,769</del>
<del>14</del>	<del>28,076</del>	<del>32,279</del>
<del>15 or more</del>	<del>28,520</del>	<del>32,789</del>

~~(f) For the 1997-98 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with one (1) and two (2) years of experience.~~

~~(g) For the 1998-1999 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with three (3) and four (4) years of experience.~~

~~(h) For the 1999-2000 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with five (5) and six (6) years of experience.~~

~~(i) For the 2000-2001 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with seven (7) and eight (8) years of experience.~~

~~(j) For the 2001-2002 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with nine (9) and ten (10) years of experience.~~

~~(k) For the 2002-2003 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with eleven (11) and twelve (12) years of experience.~~

~~(l)(1) For the 2003-2004 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with thirteen (13) years of experience.~~

~~(2) For the 2004-2005 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with fourteen (14) years of experience.~~

~~(3) For the 2005-2006 school year and for each year thereafter, each school district shall provide no less than four hundred dollar increments for experience for teachers with fifteen (15) years of experience.~~

~~(m) Subsections (f)-(l) of this section shall not apply to any local school district whose minimum salary for teachers exceeds twenty-one thousand eight hundred sixty dollars (\$21,860) and whose average salary exceeds the state average salary for teachers for the previous year.~~

~~(n) As used in this section, "teacher" shall include any full-time employee of a local public school district.~~

~~(1) Who is compelled by law to secure a license from the State Board of Education as a condition precedent to employment in a position in or related to grades prekindergarten through twelve (preK-12) of the public schools of this state; and~~



~~(2) Who is:~~

~~(A) Engaged directly in instruction with students in a classroom setting for more than seventy percent (70%) of the individual's contracted time;~~

~~(B) A guidance counselor; or~~

~~(C) A librarian.~~

~~(e) All minimum salaries set forth in this section shall be for a contract number of days that is not more than the number of days in the school year required by the State Board of Education's regulations for accreditation for the school year in which the contract is effective.~~

~~(p)(1) A district that determines that it cannot meet the minimum salary requirements of this section from funds available may petition the Department of Education for a waiver of the requirements of this section for up to three (3) school years based on regulations promulgated by the State Board of Education.~~

~~(2) The department shall not grant a waiver to any district that is not in compliance with the uniform rate of tax requirements under Arkansas Constitution, Amendment 74.~~

SECTION 8. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the provision of an equal opportunity for an adequate education to all the citizens of the state is imperative; that additional funds are immediately needed to provide an equal opportunity for an adequate education; that this act is designed to provide the additional revenues needed to provide this equal opportunity to all citizens; and that a delay in the effective date of this act will cause irreparable harm upon the provision of essential education opportunities and the proper administration of educational programs. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall be in full force and effect from and after the date of March 1, 2004.

/s/ Glover