

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005  
4

# A Bill

HOUSE BILL 2825

5 By: Representative Sumpter  
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7

## For An Act To Be Entitled

9 AN ACT TO ASSIST CERTAIN BORDER CITIES IN THE  
10 STATE OF ARKANSAS TO EQUALIZE TAXES IN ORDER TO  
11 COMPETE WITH AN ADJOINING STATE; AND FOR OTHER  
12 PURPOSES.  
13

## Subtitle

15 TO ASSIST CERTAIN BORDER CITIES IN THE  
16 STATE OF ARKANSAS TO EQUALIZE TAXES IN  
17 ORDER TO COMPETE WITH AN ADJOINING  
18 STATE.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code Title 26, Chapter 52, is amended to add an  
24 additional subchapter to read as follows:

25 26-52-1701. Authorization to equalize taxes.

26 A city may elect to equalize the state taxes paid by its citizens with  
27 other tax advantages of the citizens in the adjoining state if the city:

28 (1) Borders the state line that is in the center of the main  
29 channel of a navigable river;

30 (2) Has a population of more than twenty five thousand (25,000)  
31 persons but less than thirty five thousand (35,000) persons according to the  
32 2000 Federal Decennial Census;

33 (3) Is located in a county in this state which has a population  
34 of more than forty-five thousand (45,000) persons but less than fifty-five  
35 thousand (55,000) persons according to the 2000 Federal Decennial Census; and

36 (4) Adjoins a city described in subdivision (1) of this section.



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26-52-1702. Benefits for individual taxpayers only.

This subchapter is intended to exempt only individual taxpayers from the Arkansas income tax and not to provide an exemption for corporations or any taxpayers other than individual taxpayers.

26-52-1703. Individual taxpayers entitled to benefit of subchapter.

Any individual taxpayer residing in any border city or town located outside the State of Arkansas, which borders a city described in § 26-52-1701 shall be entitled to the benefits of this subchapter with respect to income derived by the taxpayer from employment or business activity in a city described in § 26-52-1701 upon which income tax is due the State of Arkansas under the Income Tax Act of 1929, § 26-51-101 et seq.

26-52-1704. Election proceedings.

(a) The governing body of a city described in § 26-52-1701 may by ordinance call a special election, or, upon petition of not less than ten percent (10%) of the qualified electors of the city, as determined by the number of votes cast in the city for all candidates for election to the Office of Governor of Arkansas in the immediately preceding general election, filed with the city clerk petitioning that a special election be called, a special election shall be called in the city on the question of the imposition of an additional state tax of one percent (1%) upon the gross receipts or gross proceeds derived from taxable sales within the city under the provisions of the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq. The proceeds derived from this tax shall benefit the State of Arkansas in lieu of the state income tax law applying to the net taxable income derived by individuals who are residents of the city.

(b) The special election shall be called not later than ninety (90) days nor earlier than sixty (60) days following the adoption of the ordinance by the governing body of the city or the filing of petitions requesting the election.

(c) Notice of the special election shall be given by publication in a newspaper of general circulation within the city on two (2) occasions not more than thirty (30) days and not less than ten (10) days prior to the date of the election.



1 1949, § 26-53-101 et seq.  
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