

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 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1358

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

9 AN ACT TO PROVIDE DIRECT RELIEF TO ARKANSAS
10 CONSUMERS BY REDUCING THE STATE SALES TAX ON
11 NATURAL GAS AND ELECTRICITY; AND FOR OTHER
12 PURPOSES.
13

Subtitle

14 AN ACT TO PROVIDE DIRECT RELIEF TO
15 ARKANSAS CONSUMERS BY REDUCING THE STATE
16 SALES TAX ON NATURAL GAS AND
17 ELECTRICITY.
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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 § 26-52-301(a)(2), concerning the state sales
24 and use tax levied on goods and services, is amended to read as follows:

25 (2) ~~Natural or artificial gas, electricity, water, Water, ice,~~
26 steam, or any other utility or public service, except natural gas, artificial
27 gas, or electricity that is taxed under § 26-52-322, transportation services,
28 sewer services, and sanitation or garbage collection services;
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30 SECTION 2. Arkansas Code § 26-52-319(a)(4), regarding the gross
31 receipts tax on natural gas and electricity used by manufacturer's is amended
32 to read as follows:

33 (4)~~(A)~~ The excise tax levied in this section applies only to
34 natural gas and electricity sold for use directly in the actual manufacturing
35 process.

36 ~~(B) Natural gas and electricity sold for any other purpose~~



1 ~~shall be subject to the full gross receipts or gross proceeds tax levied~~
2 ~~under §§ 26-52-301 and 26-52-302(a)-(d).~~

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4 SECTION 3. Arkansas Code Title 26, Chapter 52, Subchapter 3 is amended
5 to add an additional section to read as follows:

6 26-52-322. Natural or artificial gas and electricity sold to
7 consumers.

8 (a)(1) As used in this section, "consumer" means a person that
9 purchases natural gas, artificial gas or electricity for personal domestic
10 use.

11 (2) "Consumer" does not include a person who purchases natural
12 gas or electricity for use directly in the actual manufacturing process.

13 (b)(1) Beginning July 1, 2009, an excise tax is levied on the gross
14 receipts or gross proceeds derived from the sale of natural gas and
15 electricity to a consumer at the rate of four percent (4.0%).

16 (c) Each fiscal year after 2009:

17 (1) The Director of the Department of Finance and Administration
18 shall determine whether the net general revenue from gross receipt or gross
19 proceeds taxes levied under §§ 26-52-301 and 26-52-302 reaches or exceeds one
20 hundred and fifty million dollars (\$150,000,000) for the previous fiscal
21 year.

22 (2) If the net general revenue collected from gross receipt or
23 gross proceeds taxes levied under §§ 26-52-301 and 26-52-302 reaches or
24 exceeds one hundred and fifty million dollars (\$150,000,000) for the previous
25 fiscal year, the gross receipts or gross proceeds tax rate levied in this
26 section is reduced by one percent (1.0%) for the following fiscal year
27 beginning on the first day of the second calendar month following the
28 determination of the director under subdivision (1) of this section and shall
29 remain at the new rate.

30 (d) The gross receipts or gross proceeds derived from the sale of
31 natural gas and electricity to a consumer shall continue to be subject to:

32 (1) The excise tax levied under Arkansas Constitution, Amendment
33 75, § 2; and

34 (2) All municipal and county gross receipts taxes.

35 (e) The excise tax levied in this section is collected, reported, and
36 paid in the same manner and at the same time as prescribed by law for the

1 collection, reporting, and payment of all other Arkansas gross receipts
2 taxes.

3 (f) The director shall promulgate rules to administer this section.

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5 SECTION 4. Sections 1-3 of this act becomes effective on the first day
6 of the calendar month following the effective date of this act.

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