

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  
4

As Engrossed: H2/11/09

# A Bill

HOUSE BILL 1358

5 By: Representative Sample  
6  
7

## 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

15 AN ACT TO PROVIDE DIRECT RELIEF TO  
16 ARKANSAS CONSUMERS BY REDUCING THE STATE  
17 SALES TAX ON NATURAL GAS AND  
18 ELECTRICITY.  
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20

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, Subchapter 3 is amended  
24 to add an additional section to read as follows:

25 26-52-322. Natural or artificial gas and electricity sold to  
26 consumers.

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

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

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

35 (c) Each fiscal year after 2009:

36 (1) The Director of the Department of Finance and Administration



1 shall determine whether the net general revenue from gross receipt or gross  
2 proceeds taxes levied under §§ 26-52-301 and 26-52-302 reaches or exceeds one  
3 hundred and fifty million dollars (\$150,000,000) for the previous fiscal  
4 year.

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

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

15 (1) The excise tax levied under Arkansas Constitution, Amendment  
16 75, § 2; and

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

18 (e) The excise tax levied in this section is collected, reported, and  
19 paid in the same manner and at the same time as prescribed by law for the  
20 collection, reporting, and payment of all other Arkansas gross receipts  
21 taxes.

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

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24 SECTION 2. Section 1 of this act becomes effective on the first day of  
25 the calendar month following the effective date of this act.

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27 /s/ Sample  
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