

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: S1/22/09

# A Bill

SENATE BILL 88

5 By: Senators Glover, Broadway, Altes, G. Baker, Bledsoe, Bookout, Bryles, Capps, Crumbly, Elliott,  
6 Faris, Hendren, J. Jeffress, G. Jeffress, B. Johnson, J. Key, Laverty, Luker, P. Malone, Miller, Salmon,  
7 Steele, R. Thompson, H. Wilkins, Wilkinson, D. Wyatt, *Horn*  
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## For An Act To Be Entitled

11 AN ACT TO REDUCE THE STATE SALES AND USE TAX RATE  
12 ON FOOD AND FOOD INGREDIENTS; AND FOR OTHER  
13 PURPOSES.  
14

### Subtitle

15 TO REDUCE THE STATE SALES AND USE TAX  
16 RATE ON FOOD AND FOOD INGREDIENTS.  
17  
18  
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. Arkansas Code § 26-52-317(c)(1), concerning the state sales  
23 tax rate on food and food ingredients, is amended to read as follows:

24 (c)(1) Beginning ~~July 1, 2007~~ July 1, 2009, in lieu of the gross  
25 receipts or gross proceeds taxes levied on food and food ingredients under §§  
26 26-52-301 and 26-52-302, there is levied a tax on the gross receipts or gross  
27 proceeds derived from the sale of food and food ingredients at the rate of  
28 ~~two and seven-eighths percent (2.875%)~~ one and seven-eighths percent (1.875%)  
29 to be distributed as follows:

30 (A) Seventy-six and six-tenths percent (76.6%) of the  
31 taxes, interest, penalties, and costs received by the director under this  
32 subdivision (c)(1) shall be deposited as general revenues;

33 (B) Eight and five-tenths percent (8.5%) of the taxes,  
34 interest, penalties, and costs received by the director under this  
35 subdivision (c)(1) shall be deposited into the Property Tax Relief Trust  
36 Fund; and



1 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,  
2 interest, penalties, and costs received by the director under this  
3 subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.  
4

5 SECTION 2. Arkansas Code § 26-53-145(c)(1), concerning the state use  
6 tax on food and food ingredients, is amended to read as follows:

7 (c)(1) Beginning ~~July 1, 2007~~ July 1, 2009, in lieu of the  
8 compensating use taxes levied on food and food ingredients under §§ 26-53-106  
9 and 26-53-107, there is levied a tax on the privilege of storing, using,  
10 distributing, or consuming food and food ingredients at the rate of ~~two and~~  
11 ~~seven eighths percent (2.875%)~~ one and seven-eighths percent (1.875%) to be  
12 distributed as follows:

13 (A) Seventy-six and six-tenths percent (76.6%) of the  
14 taxes, interest, penalties, and costs received by the director under this  
15 subdivision (c)(1) shall be deposited as general revenues;

16 (B) Eight and five-tenths percent (8.5%) of the taxes,  
17 interest, penalties, and costs received by the director under this  
18 subdivision (c)(1) shall be deposited into the Property Tax Relief Trust  
19 Fund; and

20 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,  
21 interest, penalties, and costs received by the director under this  
22 subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.  
23

24 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
25 General Assembly of the State of Arkansas that unemployment is rising in  
26 Arkansas, that the rise in unemployment has resulted in an increase in the  
27 number of Arkansans unable to afford basic necessities; and that in order to  
28 aid the people of Arkansas, the sales and use tax rate on food and food  
29 ingredients should be reduced. Therefore, an emergency is declared to exist  
30 and this act being necessary for the preservation of the public peace,  
31 health, and safety shall become effective on July 1, 2009.  
32

33 /s/ Glover  
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