

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011

A Bill

SENATE BILL 276

4
5 By: Senator Teague

For An Act To Be Entitled

8 AN ACT TO AMEND THE STATE SALES AND USE TAX RATE ON
9 FOOD AND FOOD INGREDIENTS; TO CONTINUE THE IMPOSITION
10 OF LOCAL SALES AND USE TAX ON FOOD AND FOOD
11 INGREDIENTS; TO DECLARE AN EMERGENCY; AND FOR OTHER
12 PURPOSES.

Subtitle

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15 TO AMEND THE STATE SALES AND USE TAX RATE
16 ON FOOD AND FOOD INGREDIENTS AND TO
17 DECLARE AN EMERGENCY.
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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 § 26-52-317(c), concerning the state sales
24 tax rate on food and food ingredients, is amended to read as follows:

25 (c)(1) Beginning ~~July 1, 2009~~ July 1, 2011, in lieu of the gross
26 receipts or gross proceeds taxes levied on food and food ingredients under §§
27 26-52-301 and 26-52-302, there is levied a tax on the gross receipts or gross
28 proceeds derived from the sale of food and food ingredients at the rate of
29 ~~one and seven-eighths percent (1.875%)~~ one and three-eighths percent
30 (1.375%), to be distributed as follows:

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

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



1 Fund; and

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

5 (2) The gross receipts or gross proceeds taxes levied under
6 subdivision (c)(1) of this section shall be collected, reported, and paid in
7 the same manner and at the same time as is prescribed by law for the
8 collection, reporting, and payment of all other Arkansas gross receipts
9 taxes.

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

13 (c)(1) Beginning ~~July 1, 2009~~ July 1, 2011, in lieu of the
14 compensating use taxes levied on food and food ingredients under §§ 26-53-106
15 and 26-53-107, there is levied a tax on the privilege of storing, using,
16 distributing, or consuming food and food ingredients at the rate of ~~one and~~
17 ~~seven eighths percent (1.875%)~~ one and three-eighths percent (1.375%) to be
18 distributed as follows:

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

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

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

29 (2) The use tax levied under subdivision (c)(1) of this section
30 shall be collected, reported, and paid in the same manner and at the same
31 time as is prescribed by law for the collection, reporting, and payment of
32 all other Arkansas compensating use taxes.

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34 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
35 General Assembly of the State of Arkansas that unemployment is rising in the
36 state; that the rise in unemployment has resulted in an increase in the

1 number of residents unable to afford basic necessities; and that in order to
2 aid the people of the state, the sales and use tax rate on food and food
3 ingredients should be reduced. Therefore, an emergency is declared to exist
4 and this act being necessary for the preservation of the public peace,
5 health, and safety shall become effective on July 1, 2011.

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