1	State of Arkansas	As Engrossed: S2/15/11
2	88th General Assembly	A Bill
3	Regular Session, 2011	SENATE BILL 276
4 5	Ry: Senators Teague G. Rakar	Bledsoe, Bookout, Burnett, L. Chesterfield, Crumbly, J. Dismang, Elliot
6	Files, Fletcher, S. Flowers, S. Harrelson, Hendren, Holland, J. Hutchinson, Irvin, G. Jeffress, J. Jeffres	
7	D. Johnson, J. Key, M. Lamoureux, Laverty, Luker, Madison, P. Malone, B. Pritchard, Rapert, Salmon,	
8	B. Sample, R. Thompson, Whitaker, E. Williams, D. Wyatt	
9	B. Sample, R. Thompson, White	er, E. muuns, D. myuu
10	For An Act To Be Entitled	
11	AN ACT TO AN	MEND THE STATE SALES AND USE TAX RATE ON
12	FOOD AND FOO	DD INGREDIENTS; TO CONTINUE THE IMPOSITION
13	OF LOCAL SAI	ES AND USE TAX ON FOOD AND FOOD
14	INGREDIENTS	TO DECLARE AN EMERGENCY; AND FOR OTHER
15	PURPOSES.	
16		
17		
18		Subtitle
19	TO AME	ND THE STATE SALES AND USE TAX RATE
20	ON FOO	D AND FOOD INGREDIENTS AND TO
21	DECLAR	E AN EMERGENCY.
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24	BE IT ENACTED BY THE GEN	BERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26	SECTION 1. Arkans	eas Code § 26-52-317(c), concerning the state sales
27	tax rate on food and foo	od ingredients, is amended to read as follows:
28	(c)(l) Beginning	July 1, 2009 <u>July 1, 2011</u> , in lieu of the gross
29	receipts or gross procee	eds taxes levied on food and food ingredients under §
30	26-52-301 and 26-52-302	there is levied a tax on the gross receipts or gross
31	proceeds derived from the	ne sale of food and food ingredients at the rate of
32	one and seven-eighths percent (1.875%) one and three-eighths percent	
33	(1.375%), to be distributed as follows:	
34	(A) S	Seventy-six and six-tenths percent (76.6%) of the
35	taxes, interest, penalti	les, and costs received by the director under this
36	subdivision (c)(1) shall	be deposited as general revenues;

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1 (B) Eight and five-tenths percent (8.5%) of the taxes, 2 interest, penalties, and costs received by the director under this 3 subdivision (c)(1) shall be deposited into the Property Tax Relief Trust 4 Fund; and 5 (C) Fourteen and nine-tenths percent (14.9%) of the taxes, 6 interest, penalties, and costs received by the director under this 7 subdivision (c)(1) shall be deposited into the Educational Adequacy Fund. 8 (2) The gross receipts or gross proceeds taxes levied under 9 subdivision (c)(1) of this section shall be collected, reported, and paid in 10 the same manner and at the same time as is prescribed by law for the 11 collection, reporting, and payment of all other Arkansas gross receipts 12 taxes. 13 14 SECTION 2. Arkansas Code § 26-53-145(c), concerning the state use tax 15 rate on food and food ingredients, is amended to read as follows: 16 (c)(1) Beginning July 1, 2009 July 1, 2011, in lieu of the 17 compensating use taxes levied on food and food ingredients under §§ 26-53-106 18 and 26-53-107, there is levied a tax on the privilege of storing, using, 19 distributing, or consuming food and food ingredients at the rate of one and 20 seven-eighths percent (1.875%) one and three-eighths percent (1.375%) to be 21 distributed as follows: 22 (A) Seventy-six and six-tenths percent (76.6%) of the 23 taxes, interest, penalties, and costs received by the director under this 24 subdivision (c)(1) shall be deposited as general revenues; 25 (B) Eight and five-tenths percent (8.5%) of the taxes, 26 interest, penalties, and costs received by the director under this 27 subdivision (c)(1) shall be deposited into the Property Tax Relief Trust 28 Fund; and 29 (C) Fourteen and nine-tenths percent (14.9%) of the taxes, 30 interest, penalties, and costs received by the director under this 31 subdivision (c)(1) shall be deposited into the Educational Adequacy Fund. 32 (2) The use tax levied under subdivision (c)(1) of this section 33 shall be collected, reported, and paid in the same manner and at the same 34 time as is prescribed by law for the collection, reporting, and payment of 35 all other Arkansas compensating use taxes.

1	SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
2	General Assembly of the State of Arkansas that unemployment is rising in the
3	state; that the rise in unemployment has resulted in an increase in the
4	number of residents unable to afford basic necessities; and that in order to
5	aid the people of the state, the sales and use tax rate on food and food
6	ingredients should be reduced. Therefore, an emergency is declared to exist
7	and this act being necessary for the preservation of the public peace,
8	health, and safety shall become effective on July 1, 2011.
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10	/s/Teague
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