

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: S2/15/11 H3/22/11

A Bill

SENATE BILL 276

5 By: Senators Teague, G. Baker, Bledsoe, Bookout, Burnett, L. Chesterfield, Crumbly, J. Dismang, Elliott,
6 Files, Fletcher, S. Flowers, S. Harrelson, Hendren, Holland, J. Hutchinson, Irvin, G. Jeffress, J. Jeffress,
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 By: Representatives T. Steele, Allen, D. Altes, Baird, T. Baker, Barnett, Biviano, T. Bradford, Branscum,
10 J. Brown, J. Burris, Carnine, Carter, Catlett, Cheatham, Clemmer, Collins, L. Cowling, Cozart, Dale,
11 Deffenbaugh, J. Dickinson, J. Edwards, English, Eubanks, Fielding, Garner, Gillam, Hammer, Harris,
12 Hickerson, Hobbs, Hopper, D. Hutchinson, Hyde, Ingram, Jean, Johnston, Kerr, Lampkin, Lea, Leding,
13 Lenderman, Linck, Lindsey, Love, Lovell, S. Malone, Mauch, Mayberry, McCrary, McLean, D. Meeks, S.
14 Meeks, Murdock, Nickels, B. Overbey, Pennartz, Perry, Post, Ratliff, J. Roebuck, T. Rogers, Sanders,
15 Slinkard, G. Smith, Stubblefield, Summers, T. Thompson, Tyler, Vines, Wagner, Walker, Wardlaw, Webb,
16 Westerman, Williams, Woods, Word, Wren, Wright
17

For An Act To Be Entitled

18
19 AN ACT TO AMEND THE STATE SALES AND USE TAX RATE ON
20 FOOD AND FOOD INGREDIENTS; TO CONTINUE THE IMPOSITION
21 OF LOCAL SALES AND USE TAX ON FOOD AND FOOD
22 INGREDIENTS; TO DECLARE AN EMERGENCY; AND FOR OTHER
23 PURPOSES.
24

Subtitle

25
26
27 TO AMEND THE STATE SALES AND USE TAX RATE
28 ON FOOD AND FOOD INGREDIENTS AND TO
29 DECLARE AN EMERGENCY.
30

31
32 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
33

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

36 (c)(1) Beginning ~~July 1, 2009~~ July 1, 2011, in lieu of the gross



1 receipts or gross proceeds taxes levied on food and food ingredients under §§
2 26-52-301 and 26-52-302, there is levied a tax on the gross receipts or gross
3 proceeds derived from the sale of food and food ingredients at the rate of
4 ~~one and seven-eighths percent (1.875%)~~ one and three-eighths percent
5 (1.375%), to be distributed as follows:

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

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

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

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

21
22 SECTION 2. Arkansas Code § 26-53-145(c), concerning the state use tax
23 rate on food and food ingredients, is amended to read as follows:

24 (c)(1) Beginning ~~July 1, 2009~~ July 1, 2011, in lieu of the
25 compensating use taxes levied on food and food ingredients under §§ 26-53-106
26 and 26-53-107, there is levied a tax on the privilege of storing, using,
27 distributing, or consuming food and food ingredients at the rate of ~~one and~~
28 ~~seven-eighths percent (1.875%)~~ one and three-eighths percent (1.375%) to be
29 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 (2) The use tax levied under subdivision (c)(1) of this section
5 shall be collected, reported, and paid in the same manner and at the same
6 time as is prescribed by law for the collection, reporting, and payment of
7 all other Arkansas compensating use taxes.

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

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18 /s/Teague
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