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4

As Engrossed: H3/4/13 H3/13/13

A Bill

HOUSE BILL 1418

5 By: Representatives Barnett, McCrary, Hickerson, Williams, J. Edwards, Carnine, Rice, Bell, D. Altes, C.
6 Armstrong, E. Armstrong, Baine, Ballinger, Baltz, Biviano, Bragg, Branscum, Broadway, Catlett,
7 Clemmer, Copenhaver, Cozart, Dale, Davis, Deffenbaugh, J. Dickinson, C. Douglas, D. Douglas,
8 Eubanks, Farrer, Ferguson, Fite, Gossage, Hammer, Harris, Hawthorne, Hillman, Hodges, Holcomb,
9 Hopper, Hutchison, Jean, Jett, Julian, Kerr, Kizzia, Leding, Love, Lowery, Magie, S. Malone, Mayberry,
10 McElroy, McGill, McLean, D. Meeks, S. Meeks, Miller, Murdock, B. Overbey, Payton, Perry, Ratliff,
11 Richey, Scott, Shepherd, Slinkard, F. Smith, Steel, Talley, T. Thompson, Vines, W. Wagner, Wardlaw,
12 Westerman, D. Whitaker, B. Wilkins, H. Wilkins, Womack, Word, Wren, Wright
13 By: Senators B. Sample, K. Ingram, Rapert, D. Wyatt, Bledsoe, Burnett, Caldwell, E. Cheatham, A.
14 Clark, J. English, Files, S. Flowers, J. Hendren, Hester, Hickey, Holland, Irvin, J. Key, B. King, B. Pierce,
15 G. Stubblefield, E. Williams, J. Woods
16

For An Act To Be Entitled

18 AN ACT TO DEDICATE THE SALES AND USE TAX REVENUE
19 DERIVED FROM THE SALES OF NEW AND USED VEHICLES AND
20 ROAD-USER ITEMS AND SERVICES FOR THE MAINTENANCE,
21 CONSTRUCTION, AND RECONSTRUCTION OF HIGHWAYS, ROADS,
22 STREETS, BRIDGES, AND THEIR EXTENSIONS LOCATED WITHIN
23 THE STATE; TO DECLARE AN EMERGENCY; AND FOR OTHER
24 PURPOSES.
25

Subtitle

28 TO DEDICATE SALES AND USE TAX REVENUE
29 FROM THE SALES OF NEW AND USED VEHICLES
30 AND ROAD-USER ITEMS AND SERVICES FOR
31 ROADWAY MAINTENANCE, CONSTRUCTION, AND
32 RECONSTRUCTION; AND TO DECLARE AN
33 EMERGENCY.
34

35
36 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:



1
2 SECTION 1. Arkansas Code § 26-52-107 is amended to read as follows:

3 26-52-107. Disposition of taxes, interest, and penalties.

4 ~~All~~ (a) Except as otherwise stated in this section, all taxes,
5 interest, penalties, and costs received by the Director of the Department of
6 Finance and Administration under ~~the provisions of this chapter shall be~~
7 general revenues and shall be deposited into the State Treasury to the credit
8 of the State Apportionment Fund. The Treasurer of State shall allocate and
9 transfer the ~~same~~ deposited taxes, interest, penalties, and costs to the
10 various State Treasury funds participating in general revenues in the
11 respective proportions to each ~~as provided by~~ under, and to be used for the
12 respective purposes ~~set forth~~ stated in, the Revenue Stabilization Law, § 19-
13 5-101 et seq.

14 (b)(1) Beginning the first day of September following the
15 issuance of an annual report certified to the Chief Fiscal Officer of the
16 State by the Treasurer of State in which the gross collection of general
17 revenue for sales and use tax exceeds two billion two hundred million dollars
18 (\$2,200,000,000), the Chief Fiscal Officer of the State shall determine as a
19 monthly allocation an amount equivalent to the percentages stated in
20 subsection (c) of this section of the total net general revenues enumerated
21 in 19-6-201(1) and (2) that were collected as sales and use tax under §§ 26-
22 52-301, 26-52-302(a), 26-52-302(b)(1), 26-52-303, 26-52-317(c)(1)(A), 26-52-
23 319(a)(5)(A), 26-52-319(c)(2) as distributed under § 26-52-319(a)(5)(A), 26-
24 52-607, 26-53-106, 26-53-107(a), 26-53-107(b)(1), 26-53-145(c)(1)(A), 26-53-
25 148(a)(5)(A), and 26-53-148(c)(2) as distributed under § 26-53-148(a)(5)(A).

26 (2) After making the deductions required under 19-5-
27 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of
28 the State shall certify the allocation determined under subdivision (b)(1) of
29 this section to the Treasurer of State, who shall transfer the certified
30 allocation as follows:

31 (A) Seventy percent (70%) credited to the State Highway
32 and Transportation Department Fund, which shall be used for the construction,
33 reconstruction, and maintenance of highways, roads, streets, bridges, and
34 extensions of highways, roads, streets, and bridges located within the state;

35 (B) Fifteen percent (15%) credited to the County Aid Fund,
36 which shall be used for the construction, reconstruction, and maintenance of

1 highways, roads, streets, bridges, and extensions of highways, roads,
2 streets, and bridges located within the county; and

3 (C) Fifteen percent (15%) credited to the Municipal Aid
4 Fund, which shall be used for the construction, reconstruction, and
5 maintenance of highways, roads, streets, bridges, and extensions of highways,
6 roads, streets, and bridges located within the municipality.

7 (c) In making a determination under subsection (b) of this section,
8 the Chief Fiscal Officer of the State shall use the following percentages:

9 (1) Beginning September 1 of the first year, six-tenths of one
10 percent (0.6%);

11 (2) Beginning July 1 of the second year, one and two-tenths
12 percent (1.2%);

13 (3) Beginning July 1 of the third year, one and eight-tenths
14 percent (1.8%);

15 (4) Beginning July 1 of the fourth year, two and four-tenths
16 percent (2.4%);

17 (5) Beginning July 1 of the fifth year, three percent (3%);

18 (6) Beginning July 1 of the sixth year, three and six-tenths
19 percent (3.6%);

20 (7) Beginning July 1 of the seventh year, four and two-tenths
21 percent (4.2%);

22 (8) Beginning July 1 of the eighth year, four and eight-tenths
23 percent (4.8%);

24 (9) Beginning July 1 of the ninth year, five and four-tenths
25 percent (5.4%); and

26 (10) Beginning July 1 of the tenth year and thereafter, six
27 percent (6%).

28
29 SECTION 2. Arkansas Code § 26-52-510, concerning the payment of sales
30 tax on a motor vehicle, is amended to add new subsections to read as follows:

31 (h)(1) Beginning the first day of September following the issuance of
32 an annual report certified to the Chief Fiscal Officer of the State by the
33 Treasurer of State in which the gross collection of general revenue for sales
34 and use tax exceeds two billion two hundred million dollars (\$2,200,000,000),
35 the Chief Fiscal Officer of the State shall determine as a monthly allocation
36 an amount equivalent to the percentages stated in subsection (i) of this

1 section of the total net general revenues enumerated in 19-6-201(1) and (2)
2 that were collected as sales and use tax under §§ 26-52-301, 26-52-302(a),
3 26-52-302(b)(1), 26-52-303, 26-52-607, 26-53-106, 26-53-107(a), and 26-53-
4 107(b)(1) on the sale of new or used motor vehicles, trailers, or
5 semitrailers required to be licensed in this state.

6 (2) After making the deductions required under § 19-5-
7 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of
8 the State shall certify the allocation determined under subdivision (h)(1) of
9 this section to the Treasurer of State, who shall transfer the certified
10 allocation as follows:

11 (A) Seventy percent (70%) credited to the State Highway and
12 Transportation Department Fund, which shall be used for the construction,
13 reconstruction, and maintenance of highways, roads, streets, bridges, and
14 extensions of highways, roads, streets, and bridges located within the state;

15 (B) Fifteen percent (15%) credited to the County Aid Fund,
16 which shall be used for the construction, reconstruction, and maintenance of
17 highways, roads, streets, bridges, and extensions of highways, roads,
18 streets, and bridges located within the county; and

19 (C) Fifteen percent (15%) credited to the Municipal Aid
20 Fund, which shall be used for the construction, reconstruction, and
21 maintenance of highways, roads, streets, bridges, and extensions of highways,
22 roads, streets, and bridges located within the municipality.

23 (i) In making a determination under subsection (h) of this section,
24 the Chief Fiscal Officer of the State shall use the following percentages:

25 (1) Beginning September 1 of the first year, ten percent (10%);

26 (2) Beginning July 1 of the second year, twenty percent (20%);

27 (3) Beginning July 1 of the third year, thirty percent (30%);

28 (4) Beginning July 1 of the fourth year, forty percent (40%);

29 (5) Beginning July 1 of the fifth year, fifty percent (50%);

30 (6) Beginning July 1 of the sixth year, sixty percent (60%);

31 (7) Beginning July 1 of the seventh year, seventy percent (70%);

32 (8) Beginning July 1 of the eighth year, eighty percent (80%);

33 (9) Beginning July 1 of the ninth year, ninety percent (90%);

34 and

35 (10) Beginning July 1 of the tenth year and thereafter, one
36 hundred percent (100%).

1
2 SECTION 3. Arkansas Code § 26-53-126, concerning the payment of use
3 tax on motor vehicles, is amended to add new subsections to read as follows:

4 (g)(1) Beginning the first day of September following the issuance of
5 an annual report certified to the Chief Fiscal Officer of the State by the
6 Treasurer of State in which the gross collection of general revenue for sales
7 and use tax exceeds two billion two hundred million dollars (\$2,200,000,000),
8 the Chief Fiscal Officer of the State shall determine as a monthly allocation
9 an amount equivalent to the percentages stated in subsection (h) of this
10 section of the total net general revenues enumerated in 19-6-201(1) and (2)
11 that were collected as sales and use tax under §§ 26-52-301, 26-52-302(a),
12 26-52-302(b)(1), 26-52-303, 26-52-607, 26-53-106, 26-53-107(a), and 26-53-
13 107(b)(1) on the sale of new or used motor vehicles, trailers, or
14 semitrailers required to be licensed in this state.

15 (2) After making the deductions required under § 19-5-
16 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of
17 the State shall certify the allocation determined under subdivision (g)(1) of
18 this section to the Treasurer of State, who shall transfer the certified
19 allocation as follows:

20 (A) Seventy percent (70%) credited to the State Highway
21 and Transportation Department Fund, which shall be used for the construction,
22 reconstruction, and maintenance of highways, roads, streets, bridges, and
23 extensions of highways, roads, streets, and bridges located within the state;

24 (B) Fifteen percent (15%) credited to the County Aid Fund,
25 which shall be used for the construction, reconstruction, and maintenance of
26 highways, roads, streets, bridges, and extensions of highways, roads,
27 streets, and bridges located within the county; and

28 (C) Fifteen percent (15%) credited to the Municipal Aid
29 Fund, which shall be used for the construction, reconstruction, and
30 maintenance of highways, roads, streets, bridges, and extensions of highways,
31 roads, streets, and bridges located within the municipality.

32 (h) In making a determination under subsection (g) of this section,
33 the Chief Fiscal Officer of the State shall use the following percentages:

34 (1) Beginning September 1 of the first year, ten percent (10%);

35 (2) Beginning July 1 of the second year, twenty percent (20%);

36 (3) Beginning July 1 of the third year, thirty percent (30%);

- 1 (4) Beginning July 1 of the fourth year, forty percent (40%);
- 2 (5) Beginning July 1 of the fifth year, fifty percent (50%);
- 3 (6) Beginning July 1 of the sixth year, sixty percent (60%);
- 4 (7) Beginning July 1 of the seventh year, seventy percent (70%);
- 5 (8) Beginning July 1 of the eighth year, eighty percent (80%);
- 6 (9) Beginning July 1 of the ninth year, ninety percent (90%);
- 7 and
- 8 (10) Beginning July 1 of the tenth year and thereafter, one
- 9 hundred percent (100%).

10

11 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the

12 General Assembly of the State of Arkansas that the highways, roads, streets,

13 and bridges of this state are in dire need of construction, reconstruction,

14 and maintenance; that well-maintained roadways are necessary for economic

15 development in this state; that dedicating a portion of the general revenue

16 that represents the sales and use tax on motor vehicle repair and the retail

17 sale of motor vehicle tires is necessary to help pay for the construction,

18 reconstruction, and maintenance of our roadways; that dedicating the sales

19 and use tax from the sale of new and used motor vehicles will be needed in

20 order to construct, reconstruct, and repair those roadways; and that in order

21 to lessen the loss of this money from general revenue, the transfer of these

22 taxes will be phased in over a ten-year period. Therefore, an emergency is

23 declared to exist, and this act being necessary for the preservation of the

24 public peace, health, and safety shall become effective on July 1, 2013.

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27 /s/Barnett

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