

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas *As Engrossed: H3/4/13 H3/13/13 H3/18/13*

2 89th General Assembly

# A Bill

3 Regular Session, 2013

HOUSE BILL 1418

4

5 By: Representatives Barnett, McCrary, Hickerson, Williams, J. Edwards, Carnine, Rice, Bell, D. Altes, C.  
6 Armstrong, E. Armstrong, Baine, Ballinger, Biviano, Bragg, Branscum, Broadaway, Catlett, Clemmer,  
7 Dale, Davis, Deffenbaugh, C. Douglas, D. Douglas, Eubanks, Farrer, Ferguson, Fite, Gossage, Hammer,  
8 Harris, Hillman, Hodges, Hopper, Hutchison, Jean, Jett, Julian, Kerr, Leding, Love, Lowery, S. Malone,  
9 Mayberry, McElroy, McGill, McLean, D. Meeks, S. Meeks, Miller, Murdock, Payton, Perry, Scott,  
10 Shepherd, Slinkard, F. Smith, Steel, Vines, W. Wagner, Wardlaw, Westerman, B. Wilkins, H. Wilkins,  
11 Womack, Word, Wright

12 By: Senators B. Sample, K. Ingram, Rapert, D. Wyatt, Bledsoe, Burnett, Caldwell, E. Cheatham, A.  
13 Clark, J. English, Files, S. Flowers, J. Hendren, Hester, Hickey, Holland, Irvin, J. Key, B. King, B. Pierce,  
14 G. Stubblefield, E. Williams, J. Woods

15

16

## For An Act To Be Entitled

17

AN ACT TO DEDICATE THE SALES AND USE TAX REVENUE

18

*DERIVED FROM THE SALES OF NEW AND USED VEHICLES IN*

19

*PART FOR THE MAINTENANCE, CONSTRUCTION, AND*

20

RECONSTRUCTION OF HIGHWAYS, ROADS, STREETS, BRIDGES,

21

AND THEIR EXTENSIONS LOCATED WITHIN THE STATE; TO

22

DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

23

24

25

## Subtitle

26

*TO DEDICATE SALES AND USE TAX REVENUE*

27

*FROM THE SALES OF NEW AND USED VEHICLES*

28

*IN PART FOR ROADWAY MAINTENANCE,*

29

*CONSTRUCTION, AND RECONSTRUCTION; AND TO*

30

*DECLARE AN EMERGENCY.*

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32

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

34

35

*SECTION 1. Arkansas Code § 26-52-510, concerning the payment of sales tax on a motor vehicle, is amended to add new subsections to read as follows:*

36



1 (h)(1) Beginning the first day of September following the issuance of  
2 an annual report certified to the Chief Fiscal Officer of the State by the  
3 Treasurer of State in which the gross collection of general revenue for sales  
4 and use tax exceeds two billion two hundred fifty million dollars  
5 (\$2,250,000,000), the Chief Fiscal Officer of the State shall determine as a  
6 monthly allocation an amount equivalent to the percentages stated in  
7 subsection (i) of this section of the total net general revenues enumerated  
8 in 19-6-201(1) and (2) that were collected as sales and use tax under §§ 26-  
9 52-301, 26-52-302(a), 26-52-302(b)(1), 26-52-303, 26-52-607, 26-53-106, 26-  
10 53-107(a), and 26-53-107(b)(1) on the sale of new or used motor vehicles,  
11 trailers, or semitrailers required to be licensed in this state.

12 (2) After making the deductions required under § 19-5-  
13 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of  
14 the State shall certify the allocation determined under subdivision (h)(1) of  
15 this section to the Treasurer of State, who shall transfer the certified  
16 allocation as follows:

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

21 (B) Fifteen percent (15%) credited to the County Aid Fund,  
22 which may be expended on any legitimate county purpose and is not limited to  
23 expenditures for highway-related purposes; and

24 (C) Fifteen percent (15%) credited to the Municipal Aid  
25 Fund, which may be expended on any legitimate municipal purpose and is not  
26 limited to expenditures for highway-related purposes.

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

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

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

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

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

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

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

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

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

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

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

5  
6 SECTION 2. Arkansas Code § 26-53-126, concerning the payment of use  
7 tax on motor vehicles, is amended to add new subsections to read as follows:

8 (g)(1) Beginning the first day of September following the issuance of  
9 an annual report certified to the Chief Fiscal Officer of the State by the  
10 Treasurer of State in which the gross collection of general revenue for sales  
11 and use tax exceeds two billion two hundred fifty million dollars  
12 (\$2,250,000,000), the Chief Fiscal Officer of the State shall determine as a  
13 monthly allocation an amount equivalent to the percentages stated in  
14 subsection (h) of this section of the total net general revenues enumerated  
15 in 19-6-201(1) and (2) that were collected as sales and use tax under §§ 26-  
16 52-301, 26-52-302(a), 26-52-302(b)(1), 26-52-303, 26-52-607, 26-53-106, 26-  
17 53-107(a), and 26-53-107(b)(1) on the sale of new or used motor vehicles,  
18 trailers, or semitrailers required to be licensed in this state.

19 (2) After making the deductions required under § 19-5-  
20 202(b)(2)(B)(i), on the last day of each month, the Chief Fiscal Officer of  
21 the State shall certify the allocation determined under subdivision (g)(1) of  
22 this section to the Treasurer of State, who shall transfer the certified  
23 allocation as follows:

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

28 (B) Fifteen percent (15%) credited to the County Aid Fund,  
29 which may be expended on any legitimate county purpose and is not limited to  
30 expenditures for highway-related purposes; and"

31 (C) Fifteen percent (15%) credited to the Municipal Aid  
32 Fund, which may be expended on any legitimate municipal purpose and is not  
33 limited to expenditures for highway-related purposes.

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

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

- (2) Beginning July 1 of the second year, twenty percent (20%);
- (3) Beginning July 1 of the third year, thirty percent (30%);
- (4) Beginning July 1 of the fourth year, forty percent (40%);
- (5) Beginning July 1 of the fifth year, fifty percent (50%);
- (6) Beginning July 1 of the sixth year, sixty percent (60%);
- (7) Beginning July 1 of the seventh year, seventy percent (70%);
- (8) Beginning July 1 of the eighth year, eighty percent (80%);
- (9) Beginning July 1 of the ninth year, ninety percent (90%);

and

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

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the highways, roads, streets, and bridges of this state are in dire need of construction, reconstruction, and maintenance; that well-maintained roadways are necessary for economic development in this state; that dedicating the sales and use tax from the sale of new and used motor vehicles is necessary to help pay for the construction, reconstruction, and maintenance of our roadways; and that in order to lessen the loss of this money from general revenue, the transfer of these taxes will be phased in over a ten-year period. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2013.

*/s/Barnett*