

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 2040

By: Representatives J. Miller, Foster, Wilson

"AN ACT TO LEVY AN ADDITIONAL FIVE PERCENT (5%) GROSS RECEIPTS TAX ON CERTAIN SALES OF TANGIBLE PERSONAL PROPERTY USED SOLELY FOR HUNTING AND FISHING PURPOSES, AND TO LEVY AN ADDITIONAL FIVE PERCENT (5%) COMPENSATING USE TAX ON THE STORAGE, USE OR CONSUMPTION OF CERTAIN TANGIBLE PERSONAL PROPERTY USED SOLELY FOR HUNTING AND FISHING PURPOSES, THE PROCEEDS OF THESE NEW TAXES TO BE ALLOCATED EXCLUSIVELY TO THE GAME PROTECTION FUND; AND FOR OTHER PURPOSES."

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

SECTION 1. Purpose. The purpose of this Act is to specifically provide for an additional Gross Receipts Tax and an additional Compensating Use Tax, where applicable, upon particularly identified hunting and fishing equipment, with the proceeds of such additional taxes to be allocated exclusively to the Game Protection Fund for the general use and purposes of the Arkansas State Game and Fish Commission, as provided by law.

SECTION 2. Additional tax. The Gross Receipts Tax and Compensating Use Tax imposed by this Act are in addition to the Gross Receipts Tax imposed by the Arkansas Gross Receipts (Tax) Act, Act 386 of 1941, as amended, the same being Ark. Stat. Ann. §84-1901, et seq. and the Compensating Use Tax provided by the provisions of the Arkansas Compensating (Use) Tax Act, Act 47 of 1949, as amended. These additional taxes are to be administered under the provisions of the Arkansas Tax Procedure Act, Act 401 of 1979, as amended, the same being Ark. Stat. Ann. §84-4701, et seq., unless a different meaning is clearly required by the specific provisions of this Act.

SECTION 3. Definitions. For purposes of this Act, the following terms

shall have the specific definitions provided:

(a) Bows. Any hunting bow or crossbow that has greater than a forty pound (40 lb.) pull weight.

(b) Arrows. Any arrow designed for hunting and any broadhead hunting point capable of being shot from a bow or crossbow.

(c) Parts and accessories for bows. Any parts or accessories for a hunting bow described in this section shall include any produced, manufactured or imported accessory suitable for inclusion in or attachment to a bow or crossbow that is considered taxable under the provisions of this Act.

(d) Firearms. Any portable weapons, rifles, carbines, machine guns, shotguns and fowling pieces from which a shot, pellet or other projectile may be discharged by spring, pneumatic or explosive charge of any nature.

(e) Antique weapons. Antique weapons, replicas, pistols, revolvers or firearm kits, whether or not assembled, include any component parts capable of being assembled to be used as a firearm as designated in subsection (d).

(f) Parts and accessories for firearms. Any part or accessory for firearms when sold separately or when sold with complete firearm for use as a spare part.

(g) Shells and Ammunition. Any class of domestically manufactured or imported pistol, rifle or shotgun, cartridge, shell or projectile, propelled by any sort of explosion, however minute, not to include any ammunition used in testing manufactured or imported firearm by manufacturer or importer or any shells or ammunition sold to the United States Armed Forces.

(h) Sports fishing equipment. Sport fishing equipment includes any manufactured, produced or imported products defined as: (1) fishing rods and poles and all component parts therefor, (2) fishing reels, (3) fly fishing lines and other lines not over 130 pounds test, (4) fishing spears, spear guns and spear tips, (5) items of terminal tackle, including (A) leaders, (B) artificial lines, (C) artificial baits or lures, (D) artificial flies, (E) fishing hooks, (F) bobbers, (G) sinkers, (H) snaps, and (I) swivels (but not including natural bait or any item of terminal tackle designed for use and ordinarily used on fishing lines not described in (h) (3) of this subsection), and (6) the following items of fishing supplies and accessories - (A) fish stringers, (B) creels, (C) tackle boxes, (D) bags, baskets, and other containers designed to hold fish, (E) portable bait containers, (F) fishing vests, (G) landing nets, (H) gaff hooks, (I) fishing hook disgorgers, and

dressings for fishing lines and artificial flies, (J) fishing tip-ups and tilts, (K) fishing rod belts, fishing rod holders, fishing harnesses, fishing outriggers, and fishing down riggers, (L) electric outboard boat motors, and (M) sonar devices suitable for finding fish, including sonar devices used on a fishing boat including graph recorders, digital readout types, meter readout sonar type or any combination graph recorder or meter readout types of sonar equipment.

SECTION 4. There is hereby levied a Gross Receipts Tax of five percent (5%) upon the gross proceeds or gross receipts derived from all sales at retail, to any person, subsequent to the effective date of this Act, of all bows, arrows, firearms and sport fishing equipment as set out and defined in Section 3 of this Act.

SECTION 5. There is hereby levied and shall be collected from every person in this state, after the passage and approval of this Act, a tax or excise for the privilege of storing, using or consuming, within the state, any bow, arrow, firearm or sport fishing equipment, as set out and defined in Section 3 of this Act, that is purchased for storage, use or consumed in this State at the rate of five percent (5%) of the sale price of such on such bows, arrows, firearms or sport fishing equipment.

SECTION 6. All taxes collected by the Commissioner of Revenues under the provisions of this Act, shall be accounted for by the Commissioner and these taxes shall be deposited into the State Treasury and the State Treasurer shall distribute these taxes as follows:

(a) Three percent (3%) of the amount deposited shall be paid to the Constitutional and Fiscal Agencies Fund to be used for defraying the necessary expenses of the State Government; and

(b) Ninety-seven percent (97%) of the amount deposited shall be specifically considered as special revenues and deposited into the "Game Protection Fund", for the sole use by the Arkansas State Game and Fish Commission, as provided by law.

(c) It is the intention of the General Assembly that these additional Gross Receipts and Compensating Use Taxes imposed by this Act upon hunting and fishing equipment shall be considered as monies and funds arising from the

sale of property pertaining specifically to, and for the regulation of, birds, game, fish and wildlife, as those terms are used in paragraph 2 of Section 8 of Amendment 35 to the Arkansas State Constitution.

SECTION 7. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 8. EMERGENCY. It is hereby found and determined by the General Assembly that the State of Arkansas and the Arkansas State Game and Fish Commission is in serious danger of losing revenues which are necessary to provide adequate funding through special revenue funds required for the operation of necessary services to the citizens of Arkansas and that the provisions contained in this Act are necessary to avoid a substantial shortfall in needed special revenues for the Arkansas Game and Fish Commission. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect on and after July 1, 1987.

