

1 State of Arkansas
2 84th General Assembly
3 Second Extraordinary Session, 2003
4

As Engrossed: H1/30/04
A Bill

Call Item 6

HOUSE BILL 1164

5 By: Representatives D. Evans, Jackson, Mahony
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7

For An Act To Be Entitled

9 AN ACT TO PROVIDE ADDITIONAL REVENUE TO FUND THE
10 STATE EDUCATION SYSTEM; TO LEVY AN ADDITIONAL
11 FIVE-EIGHTHS OF ONE PERCENT (0.625%) SALES AND
12 USE TAX; TO CREATE THE EDUCATIONAL ADEQUACY TRUST
13 FUND; AND FOR OTHER PURPOSES.
14

Subtitle

15 *PROVIDES ADDITIONAL REVENUE TO FUND THE*
16 *EDUCATIONAL SYSTEM BY INCREASING SALES*
17 *AND USE TAX.*
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 26-52-302, concerning levying additional
24 sales taxes, is amended to add an additional subsection to read as follows:

25 (d)(1) Beginning March 1, 2004, there is levied an additional excise
26 tax of five-eighths of one percent (0.625%) upon all taxable sales of
27 property and services subject to the tax levied by the Arkansas Gross
28 Receipts Act of 1941, § 26-52-101 et seq.

29 (2) The tax shall be collected, reported, and paid in the same
30 manner and at the same time as prescribed by the Arkansas Gross Receipts Act
31 of 1941, § 26-52-101 et seq., for the collection, reporting, and payment of
32 Arkansas gross receipts taxes.
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34 SECTION 2. Arkansas Code § 26-52-311(b)(1), pertaining to the rental
35 vehicle tax, is amended to read as follows:

36 (b)(1) In addition to the rate in subsection (c) of this section, the



1 rental vehicle tax shall be levied at the ~~same rate as the combined gross~~
2 ~~receipts taxes levied by §§ 26-52-301 and 26-52-302 and any act supplemental~~
3 ~~thereto~~ rate of five percent (5%) and the rate of any applicable municipal or
4 county taxes.

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6 SECTION 3. Arkansas Code § 26-53-107, effective until contingency in
7 Acts 2003, No. 1273, § 88 is met, is amended to add an additional subsection
8 to read as follows:

9 (d)(1) Beginning March 1, 2004, there is levied an additional excise
10 tax of five-eighths of one percent (0.625%) upon all tangible personal
11 property subject to the tax levied by the Arkansas Compensating Tax Act of
12 1949, § 26-53-101 et seq.

13 (2) The tax shall be collected, reported, and paid in the same
14 manner and at the same time as is prescribed by the Arkansas Compensating Tax
15 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
16 of Arkansas compensating taxes.

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18 SECTION 4. Arkansas Code § 26-53-107, effective when contingency in
19 Acts 2003, No. 1273, § 88 is met, is amended to read as follows:

20 (d)(1) Beginning March 1, 2004, there is levied an additional excise
21 tax of five-eighths of one percent (0.625%) upon all tangible personal
22 property and taxable services subject to the tax levied by the Arkansas
23 Compensating Tax Act of 1949, § 26-53-101 et seq.

24 (2) The tax shall be collected, reported, and paid in the same
25 manner and at the same time as is prescribed by the Arkansas Compensating Tax
26 Act of 1949, § 26-53-101 et seq., for the collection, reporting, and payment
27 of Arkansas compensating taxes.

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29 SECTION 5. Educational Adequacy Trust Fund.

30 (a) There is created on the books of the Treasurer of State, the
31 Auditor of State, and Chief Fiscal Officer of the State a special revenue
32 fund to be known as the Educational Adequacy Trust Fund.

33 (b) The Educational Adequacy Trust Fund shall consist of the revenues
34 generated by Arkansas Code §§ 26-52-302(d), 26-53-107(d), and other revenues
35 as provided by law.

36 (c) On the last day of the month, the Treasurer of State shall

1 transfer amounts available in the Educational Adequacy Trust Fund to the
2 Department of Education Public School Fund Account established in Arkansas
3 Code § 19-5-305, to be used for the purposes provided by law. The Treasurer
4 of State shall make the transfer after making the deductions required from
5 the net special revenues as set out in Arkansas Code § 19-5-203(b)(2)(A).

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7 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the
8 General Assembly, that the provision of an equal opportunity for an adequate
9 education to all the citizens of the state is imperative; that additional
10 funds are immediately needed to provide an equal opportunity for an adequate
11 education; that this act is designed to provide the additional revenues
12 needed to provide this equal opportunity to all citizens; and that a delay in
13 the effective date of this act will cause irreparable harm upon the provision
14 of essential education opportunities and the proper administration of
15 educational programs. Therefore, an emergency is declared to exist and this
16 act being necessary for the immediate preservation of the public peace,
17 health, and safety shall be in full force and effect from and after the date
18 of March 1, 2004.

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20 /s/ D. Evans, et al
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