

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

Call Item 6

A Bill

SENATE BILL 39

5 By: Senator Glover
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For An Act To Be Entitled

9 AN ACT TO LEVY AN ADDITIONAL EXCISE TAX OF ONE-
10 HALF OF ONE PERCENT (0.5%) UPON ALL TAXABLE SALES
11 OF PROPERTY AND SERVICES SUBJECT TO THE TAX
12 LEVIED BY THE ARKANSAS GROSS RECEIPTS TAX ACT AND
13 UPON ALL TANGIBLE PERSONAL PROPERTY AND SERVICES
14 SUBJECT TO THE TAX LEVIED BY THE ARKANSAS
15 COMPENSATING TAX ACT; TO CREATE THE EDUCATIONAL
16 ADEQUACY TRUST FUND; AND FOR OTHER PURPOSES.

Subtitle

18
19 LEVIES AN ADDITIONAL (0.5%) SALES AND
20 USE TAX AND CREATES THE EDUCATIONAL
21 ADEQUACY TRUST FUND. FUND.
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23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 26-52-302 is amended to read as follows:
27 26-52-302. Additional taxes levied.

28 (a) In addition to the excise tax levied upon the gross proceeds or
29 gross receipts derived from all sales by the Arkansas Gross Receipts Act, §
30 26-52-101 et seq., there is levied an excise tax of one percent (1%) upon all
31 taxable sales of property and services subject to the tax levied in that act.
32 This tax shall be collected, reported, and paid in the same manner and at the
33 same time as is prescribed by law for the collection, reporting, and payment
34 of all other Arkansas gross receipts taxes. In computing gross receipts or
35 gross proceeds as defined in § 26-52-103(a)(4), a deduction shall be allowed
36 for bad debts resulting from the sale of tangible personal property.



1 (b) In addition to the excise tax levied upon the gross proceeds or
 2 gross receipts derived from all sales by the Arkansas Gross Receipts Act, §
 3 26-52-101 et seq., there is hereby levied an excise tax of one-half of one
 4 percent (0.5%) upon all taxable sales of property and services subject to the
 5 tax levied in that act, and such tax shall be collected, reported, and paid
 6 in the same manner and at the same time as is prescribed by law for the
 7 collection, reporting, and payment of all other Arkansas gross receipts
 8 taxes. Provided that, in computing gross receipts or gross proceeds as
 9 defined in § 26-52-103(a)(4), a deduction shall be allowed for bad debts
 10 resulting from the sale of tangible personal property.

11 (c)(1) Beginning January 1, 2001, there is hereby levied an additional
 12 excise tax of one-half of one percent (0.5%) upon all taxable sales of
 13 property and services subject to the tax levied by the Arkansas Gross
 14 Receipts Act of 1941, § 26-52-101 et seq.

15 (2) The tax shall be collected, reported, and paid in the same
 16 manner and at the same time as is prescribed by the Arkansas Gross Receipts
 17 Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment
 18 of Arkansas gross receipts taxes.

19 (d)(1) Beginning March 1, 2004, there is levied an additional excise
 20 tax of one-half of one percent (0.5%) upon all taxable sales of property and
 21 services subject to the tax levied by the Arkansas Gross Receipts Act of
 22 1941, § 26-52-101 et seq.

23 (2) The tax shall be collected, reported, and paid in the same
 24 manner and at the same time as is prescribed by the Arkansas Gross Receipts
 25 Act of 1941, § 26-52-101 et seq., for the collection, reporting, and payment
 26 of Arkansas gross receipts taxes.

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 28 SECTION 2. Arkansas Code § 26-53-107 is amended to read as follows:

29 26-53-107. Additional taxes levied. [Effective until contingency in
 30 Acts 2003, No. 1273, § 88 is met.]

31 (a) In addition to the excise tax levied upon the privilege of
 32 storing, using, distributing, or consuming tangible personal property within
 33 this state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there
 34 is levied an excise tax of one percent (1%) upon all tangible personal
 35 property subject to the tax levied in that act, and the tax shall be
 36 collected, reported, and paid in the same manner and at the same time as is

1 prescribed by law for the collection, reporting, and payment of state
 2 compensating taxes.

3 (b) In addition to the excise tax levied upon the privilege of
 4 storing, using, distributing, or consuming tangible personal property within
 5 the state by the Arkansas Compensating Tax Act, § 26-53-101 et seq., there is
 6 hereby levied an excise tax of one-half of one percent (0.5%) upon all
 7 tangible personal property subject to the tax levied in that act, and such
 8 tax shall be collected, reported, and paid in the same manner and at the same
 9 time as is prescribed by law for the collection, reporting, and payment of
 10 Arkansas compensating taxes.

11 (c)(1) Beginning January 1, 2001, there is hereby levied an additional
 12 excise tax of one-half of one percent (0.5%) upon all tangible personal
 13 property subject to the tax levied by the Arkansas Compensating Tax Act of
 14 1949, § 26-53-101 et seq.

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

19 (d)(1) Beginning March 1, 2004, there is levied an additional excise
 20 tax of one-half of one percent (0.5%) upon all tangible personal property
 21 subject to the tax levied by the Arkansas Compensating Tax Act of 1949, § 26-
 22 53-101 et seq.

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

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 28 SECTION 3. Arkansas Code § 26-53-107 is amended to read as follows:

29 26-53-107. Additional taxes levied. [Effective when contingency in
 30 Acts 2003, No. 1273, § 88 is met.]

31 (a) In addition to the excise tax levied upon the privilege of
 32 storing, using, distributing, or consuming tangible personal property and
 33 taxable services within this state by the Arkansas Compensating Tax Act of
 34 1949, § 26-53-101 et seq., there is levied an excise tax of one percent (1%)
 35 upon all tangible personal property and taxable services subject to the tax
 36 levied in that act, and the tax shall be collected, reported, and paid in the

1 same manner and at the same time as is prescribed by law for the collection,
2 reporting, and payment of state compensating taxes.

3 (b) In addition to the excise tax levied upon the privilege of
4 storing, using, distributing, or consuming tangible personal property and
5 taxable services within the state by the Arkansas Compensating Tax Act of
6 1949, § 26-53-101 et seq., there is hereby levied an excise tax of one-half
7 of one percent (0.5%) upon all tangible personal property and taxable
8 services subject to the tax levied in that act, and the tax shall be
9 collected, reported, and paid in the same manner and at the same time as is
10 prescribed by law for the collection, reporting, and payment of Arkansas
11 compensating taxes.

12 (c)(1) Beginning January 1, 2001, there is hereby levied an additional
13 excise tax of one-half of one percent (0.5%) upon all tangible personal
14 property and taxable services subject to the tax levied by the Arkansas
15 Compensating Tax Act of 1949, § 26-53-101 et seq.

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

20 (d)(1) Beginning March 1, 2004, there is levied an additional excise
21 tax of one-half of one percent (0.5%) upon all tangible personal property and
22 taxable services subject to the tax levied by the Arkansas Compensating Tax
23 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 4. Arkansas Code § 26-52-311(b)(1), pertaining to the rental
30 vehicle tax, is amended to read as follows:

31 (b)(1) In addition to the rate in subsection (c) of this section, the
32 rental vehicle tax shall be levied at the ~~same rate as the combined gross~~
33 ~~receipts taxes levied by §§ 26-52-301 and 26-52-302 and any act supplemental~~
34 ~~thereto~~ rate of five percent (5%) and the rate of any applicable municipal or
35 county taxes.

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SECTION 5. Educational Adequacy Trust Fund.

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

(b) The fund shall consist of such revenues as generated by §§ 26-52-302(d) and 26-53-107(d).

(c) On the last day of the month, the Treasurer of State shall transfer amounts available in the Educational Adequacy Trust Fund to the Department of Education Public School Fund Account established in Arkansas Code § 19-5-305, to be used for teacher salaries. The Treasurer of State shall make the transfer after making the deductions required from the net special revenues as set out in Arkansas Code § 19-5-203(b)(2)(A).

SECTION 6. In school year 2004-2005, each school district in the state shall have in place a salary schedule with at least the following levels of compensation:

<u>Years Experience</u>	<u>BA Degree Salary</u>	<u>MA Degree Salary</u>
<u>0</u>	<u>\$27,891</u>	<u>\$30,750</u>
<u>1</u>	<u>28,449</u>	<u>31,365</u>
<u>2</u>	<u>29,018</u>	<u>31,992</u>
<u>3</u>	<u>29,598</u>	<u>32,632</u>
<u>4</u>	<u>30,190</u>	<u>33,285</u>
<u>5</u>	<u>30,795</u>	<u>33,951</u>
<u>6</u>	<u>31,410</u>	<u>34,630</u>
<u>7</u>	<u>32,039</u>	<u>35,323</u>
<u>8</u>	<u>32,679</u>	<u>36,029</u>
<u>9</u>	<u>33,333</u>	<u>36,750</u>
<u>10</u>	<u>34,000</u>	<u>37,485</u>
<u>11</u>	<u>34,680</u>	<u>38,235</u>
<u>12</u>	<u>35,374</u>	<u>39,000</u>
<u>13</u>	<u>36,082</u>	<u>39,780</u>
<u>14</u>	<u>36,804</u>	<u>40,576</u>
<u>15</u>	<u>37,540</u>	<u>41,388</u>

SECTION 7. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly, that the provision of an equal opportunity for an adequate
2 education to all the citizens of the state is imperative; that additional
3 funds are immediately needed to provide an equal opportunity for an adequate
4 education; that this act is designed to provide the additional revenues
5 needed to provide this equal opportunity to all citizens; and that a delay in
6 the effective date of this act will cause irreparable harm upon the provision
7 of essential education opportunities and the proper administration of
8 educational programs. Therefore, an emergency is declared to exist and this
9 act being immediately necessary for the preservation of the public peace,
10 health, and safety shall be in full force and effect from and after the date
11 of March 1, 2004.

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