

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011

A Bill

HOUSE BILL 1389

4
5 By: Representative Mayberry

For An Act To Be Entitled

8 AN ACT TO REDUCE THE STATE SALES AND USE TAX RATE ON
9 FOOD AND FOOD INGREDIENTS; AND FOR OTHER PURPOSES.

Subtitle

13 TO REDUCE THE STATE SALES AND USE TAX
14 RATE ON FOOD AND FOOD INGREDIENTS.

16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18
19 SECTION 1. Arkansas Code § 26-52-317(c), concerning the state sales
20 tax rate on food and food ingredients, is amended to read as follows:

21 (c)(1) ~~Beginning July 1, 2009, in~~ In lieu of the gross receipts or
22 gross proceeds taxes levied on food and food ingredients under §§ 26-52-301
23 and 26-52-302, there is levied a tax on the gross receipts or gross proceeds
24 derived from the sale of food and food ingredients at the rate of ~~one and~~
25 ~~seven-eighths percent (1.875%)~~ seven-eighths percent (7/8%), to be
26 distributed as follows:

27 (A) Seventy-six and six-tenths percent (76.6%) of the
28 taxes, interest, penalties, and costs received by the director under this
29 subdivision (c)(1) shall be deposited as general revenues;

30 (B) Eight and five-tenths percent (8.5%) of the taxes,
31 interest, penalties, and costs received by the director under this
32 subdivision (c)(1) shall be deposited into the Property Tax Relief Trust
33 Fund; and

34 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
35 interest, penalties, and costs received by the director under this
36 subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.



1 (2) The gross receipts or gross proceeds taxes levied under
2 subdivision (c)(1) of this section shall be collected, reported, and paid in
3 the same manner and at the same time as is prescribed by law for the
4 collection, reporting, and payment of all other Arkansas gross receipts
5 taxes.

6
7 SECTION 2. Arkansas Code § 26-53-145(c), concerning the state use tax
8 rate on food and food ingredients, is amended to read as follows:

9 (c)(1) ~~Beginning July 1, 2009, in~~ In lieu of the compensating use
10 taxes levied on food and food ingredients under §§ 26-53-106 and 26-53-107,
11 there is levied a tax on the privilege of storing, using, distributing, or
12 consuming food and food ingredients at the rate of ~~one and seven-eighths~~
13 ~~percent (1.875%)~~ seven-eighths percent (7/8%) to be distributed as follows:

14 (A) Seventy-six and six-tenths percent (76.6%) of the
15 taxes, interest, penalties, and costs received by the director under this
16 subdivision (c)(1) shall be deposited as general revenues;

17 (B) Eight and five-tenths percent (8.5%) of the taxes,
18 interest, penalties, and costs received by the director under this
19 subdivision (c)(1) shall be deposited into the Property Tax Relief Trust
20 Fund; and

21 (C) Fourteen and nine-tenths percent (14.9%) of the taxes,
22 interest, penalties, and costs received by the director under this
23 subdivision (c)(1) shall be deposited into the Educational Adequacy Fund.

24 (2) The use tax levied under subdivision (c)(1) of this section
25 shall be collected, reported, and paid in the same manner and at the same
26 time as is prescribed by law for the collection, reporting, and payment of
27 all other Arkansas compensating use taxes.

28
29 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
30 on the first day of the calendar quarter following the effective date of this
31 act.