

1 State of Arkansas
2 90th General Assembly
3 Third Extraordinary Session, 2016
4

A Bill

Call Item 2
SENATE BILL 17

5 By: Senator A. Clark
6

For An Act To Be Entitled

8 AN ACT TO INCREASE FUNDING FOR HIGHWAYS; TO DESIGNATE
9 SPECIAL REVENUES; TO REDUCE THE INCOME TAX ON
10 INDIVIDUALS; TO ESTABLISH A MOTOR FUEL RETAIL SALES
11 TAX AND DISTILLATE SPECIAL FUEL RETAIL SALES TAX; TO
12 DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.
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Subtitle

15 AN ACT TO INCREASE FUNDING FOR HIGHWAYS;
16 TO DESIGNATE SPECIAL REVENUES; TO REDUCE
17 INCOME TAX; TO ESTABLISH A MOTOR FUEL AND
18 DISTILLATE SPECIAL FUEL RETAIL SALES TAX;
19 AND TO DECLARE AN EMERGENCY.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 19-6-301(3), concerning lists of special
26 revenues, is amended to add an additional subdivision to read as follows:

27 (H) Retail sales tax on distillate special motor fuel
28 levied by Section 6 of this Act;
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30 SECTION 2. Arkansas Code § 19-6-301(4), concerning lists of special
31 revenues, is amended to add an additional subdivision to read as follows:

32 (F) Retail sales tax on motor fuel levied by Section 5 of
33 this Act;
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35 SECTION 3. TEMPORARY LANGUAGE. DO NOT CODIFY.

36 (a) Beginning July 1, 2017, and each fiscal year through June 30,



1 2021, the Director of the Department of Finance and Administration shall
2 determine the amount of revenue collected under Sections 4 and 5 of this act
3 for the previous twelve-month period of collecting the tax.

4 (b) After making the determination required under subsection (a) of
5 this section, the director shall:

6 (1) Certify to the Governor and the Office of Economic and Tax
7 Policy the amount of revenues attributable to the collection of sales tax
8 under Sections 4 and 5 of this act during the previous twelve (12) months of
9 collections;

10 (2)(A) Use the entire amount certified under subdivision (b)(1)
11 of this section to provide an income tax refund to each individual who paid
12 income tax for the previous tax year.

13 (B) The amount of the income tax refund provided for under
14 subdivision (b)(2)(A) of this section shall be equal for each individual
15 taxpayer;

16 (3) Certify the amount of the income tax refund to be provided
17 under this subsection to the Governor and the Office of Economic and Tax
18 Policy; and

19 (4) Distribute the refunds provided for under this section by
20 October 1 of the year in which the determination was made under this section.

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22 SECTION 4. TEMPORARY LANGUAGE. DO NOT CODIFY.

23 (a) As used in this section:

24 (1) "Average retail selling price" means the Gulf Coast average
25 retail selling price of motor fuel as published by the United States Energy
26 Information Administration or other similar reliable index if the index
27 published by the United States Energy Information Administration is no longer
28 available; and

29 (2) "Motor fuel", for purposes of this section, means the same
30 as defined in § 26-55-202.

31 (b) In addition to the taxes levied in §§ 26-55-205, 26-55-1002, 26-
32 55-1006, 26-55-1201, and 26-56-601, there is levied upon retailers of motor
33 fuel a retail sales tax upon the retail selling price per gallon of motor
34 fuel at the rate determined in subsection (c) of this section.

35 (c)(1) Beginning August 1, 2016, and ending June 30, 2020, the retail
36 sales tax shall be determined by multiplying the twelve-month average retail

1 selling price of motor fuel for the period of April 2015 through March 2016
 2 by one and three hundred eighty-eight-thousandths percent (1.388%).

3 (2) The Director of the Department of Finance and Administration
 4 shall determine and convert the tax in subdivision (c)(1)(A) of this section
 5 to a cent-per-gallon amount rounded to the nearest one-tenth of one cent
 6 (0.1¢).

7 (d) The Department of Finance and Administration shall publish and
 8 notify fuel wholesalers of the cent-per-gallon amount to be collected from
 9 retailers under this section.

10 (e) The retail sales tax shall be paid by retailers of motor fuel to
 11 wholesalers who shall collect, report, and remit the tax in the same manner
 12 and at the same time as is prescribed by law for the collection, reporting,
 13 and payment of the other motor fuel taxes under Arkansas law, including §§
 14 26-55-210 – 26-55-212, and § 26-55-230(a)(1)(F).

15 (f) The retail sales taxes collected under this section shall be
 16 considered special revenues and shall be distributed under the Arkansas
 17 Highway Revenue Distribution Law, § 27-70-201 et seq.

18 (g) The tax levied under this section expires June 30, 2020.

19 (h) The director may promulgate rules to implement this section.

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 21 SECTION 5. TEMPORARY LANGUAGE. DO NOT CODIFY.

22 (a) As used in this section:

23 (1) "Average retail selling price" means the Gulf Coast average
 24 retail selling price of distillate special fuel as published by the United
 25 States Energy Information Administration or other similar reliable index if
 26 the index published by the United States Energy Information Administration is
 27 no longer available; and

28 (2) "Distillate special fuel", for purposes of this section,
 29 means the same as defined in § 26-56-102.

30 (b) In addition to the taxes levied in §§ 26-56-201, 26-56-502, and
 31 26-56-601, there is levied upon retailers of distillate special fuel a retail
 32 sales tax upon the retail selling price per gallon of distillate special fuel
 33 at the rate determined in subsection (c) of this section.

34 (c)(1) Beginning on August 1, 2016, and ending on June 30, 2020, the
 35 retail sales tax shall be determined by multiplying the twelve-month average
 36 retail selling price of distillate special fuel for the period of April 2015

1 through March 2016 by one and twenty-seven-hundredths percent (1.27%).

2 (2) The Director of the Department of Finance and Administration
3 will determine and convert the tax in subdivision (c)(1) of this section to a
4 cent-per-gallon amount rounded to the nearest one-tenth of one cent (0.1¢).

5 (d) The Department of Finance and Administration shall publish and
6 notify fuel wholesalers of the cent-per-gallon amount to be collected from
7 retailers under this section.

8 (e) The retail sales tax shall be paid by retailers of distillate
9 special fuel to wholesalers who shall collect, report, and remit the tax in
10 the same manner and at the same time as is prescribed by law for the
11 collection, reporting, and payment of the other distillate special fuel taxes
12 under Arkansas law.

13 (f) The retail sales taxes collected under this section shall be
14 considered special revenues and shall be distributed under the Arkansas
15 Highway Revenue Distribution Law, § 27-70-201 et seq.

16 (g) The tax levied under this section expires June 30, 2020.

17 (h) The director of the Department of Finance and Administration may
18 promulgate rules to implement this section.

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20 SECTION 6. EMERGENCY CLAUSE. It is found and determined by the
21 General Assembly of the State of Arkansas that the highways, roads, streets,
22 and bridges of this state are in dire need of construction, reconstruction,
23 and maintenance; that well maintained highways, roads, streets, and bridges
24 are necessary for economic development in this state; and that providing for
25 an indexed tax on motor fuel and distillate special fuel is necessary to help
26 pay for the construction, reconstruction, and maintenance of the highways,
27 roads, streets, and bridges of this state; that it is essential that such
28 revision be given effect on July 1, 2016, in order that the effective date of
29 this act coincide with the beginning of a new fiscal year; that under the
30 Constitution of Arkansas, acts without an emergency clause do not take effect
31 until ninety (90) days after sine die adjournment of the General Assembly;
32 and that unless an emergency is declared, extension of the 2016 Third
33 Extraordinary Session of the General Assembly will result in a delay in the
34 effective date of this act beyond July 1 and would work irreparable harm.
35 Therefore, an emergency is declared to exist, and this act being necessary
36 for the preservation of the public peace, health, and safety shall become

1 effective on and after July 1, 2016.
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