

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S2/28/13
A Bill

SENATE BILL 438

By: Senator Teague

For An Act To Be Entitled

AN ACT CONCERNING THE REVENUES DERIVED FROM THE TAX ON DISTILLATE SPECIAL FUELS; TO ELIMINATE THE DESIGNATION OF CERTAIN TAX REVENUES DERIVED FROM SALES OF DISTILLATE SPECIAL FUELS AS GENERAL REVENUES; AND FOR OTHER PURPOSES.

Subtitle

CONCERNING THE REVENUES DERIVED FROM THE TAX ON DISTILLATE SPECIAL FUELS; TO ELIMINATE THE DESIGNATION OF CERTAIN TAX REVENUES DERIVED FROM SALES OF DISTILLATE SPECIAL FUELS AS GENERAL REVENUES.

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

SECTION 1. Arkansas Code § 19-5-1103(b), concerning the Property Tax Relief Trust Fund, is amended to read as follows:

(b) The fund shall consist of such revenues as generated by §§ 26-52-302(c), 26-52-317(c)(1)(B), 26-52-319(a)(3)(B), 26-53-107(c), 26-53-145(c)(1)(B), 26-53-148(a)(3)(B), ~~26-56-201(g)(1)(C)~~, and 26-56-224(c)(2), and shall be used for such purposes as set out in § 26-26-310.

SECTION 2. Arkansas Code § 19-5-1227(b)(3), concerning the Educational Adequacy Fund, is amended to read as follows:

(3) The revenues generated by §§ 26-52-302(d), 26-52-316, 26-52-317(c)(1)(C), 26-52-319(a)(3)(C), 26-53-107(d), 26-53-145(c)(1)(C), 26-53-148(a)(3)(C), ~~26-56-201(g)(1)(B)~~, 26-56-224(c)(3), and



26-57-1002(d)(1)(A)(ii); and

SECTION 3. Arkansas Code § 19-6-201(68), concerning the enumeration of general revenues, is repealed.

~~(68) The first four million dollars (\$4,000,000) of the eight and one-half cent (8½¢) tax on distillate special fuels levied each fiscal year under § 26-56-201(a)(1)(A)(i).~~

SECTION 4. Arkansas Code § 19-6-301(3)(A), concerning the enumeration of special revenues, is amended to read as follows:

(A) Eight and one-half cent (8.5¢) tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A)(i), ~~after the deduction of the first four million dollars (\$4,000,000) each fiscal year under § 26-56-201(g)(1)~~ and one cent (1¢) tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A)(ii);

SECTION 5. Arkansas Code § 26-56-201(f), concerning the disposition of the revenues derived from the excise tax on distillate special fuel, are amended to read as follows:

(f) ~~Except as provided in subsection (g) of this section, the~~ The additional taxes collected under this section are special revenues and shall be distributed as set forth in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq., and the Arkansas Highway Financing Act of 2011, § 27-64-501 et seq.

SECTION 6. Arkansas Code § 26-56-201(g), concerning the disposition of the revenues derived from the excise tax on distillate special fuels, is repealed.

~~(g)(1) In order to offset the general revenues lost by the tax exemption contained in § 26-52-436(e) and (d) and § 26-53-144(e) and (d), the Chief Fiscal Officer of the State shall, on or before June 30, 2013, and on or before June 30 of each fiscal year thereafter, deposit the first four million dollars (\$4,000,000) of the taxes collected under subdivision (a)(1)(A)(i) of this section as general revenues, to be distributed as~~

follows:

~~(A) Seventy five percent (75%) to be deposited into the General Revenue Fund Account of the State Apportionment Fund, § 19-5-202;~~

~~(B) Fourteen and six tenths percent (14.6%) to be deposited into the Educational Adequacy Fund, § 19-5-1227;~~

~~(C) Eight and three tenths percent (8.3%) to be deposited into the Property Tax Relief Trust Fund, § 19-5-1103; and~~

~~(D) Two and one tenth percent (2.1%) to be deposited into the Conservation Tax Fund, § 19-6-484.~~

~~(2) The balance of the taxes collected under subdivision (a)(1)(A)(i) of this section shall be deposited as special revenues and distributed in the manner required by law.~~

~~(3) The classification and distribution of taxes under subdivision (g)(1) of this section is subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., and the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.~~

~~(4) The taxes collected under subdivision (a)(1)(A)(ii) of this section shall be distributed as provided in § 26-56-221.~~

/s/Teague