

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

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1942

By: Representatives Ladyman, Jett

By: Senator D. Wallace

For An Act To Be Entitled

AN ACT TO CREATE THE SALES AND USE TAX REDUCTION
STUDY; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE SALES AND USE TAX REDUCTION
STUDY.

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

SECTION 1. TEMPORARY LANGUAGE. DO NOT CODIFY. Sales and Use Tax
Reduction Study – Creation – Duties.

(a) The General Assembly finds that:

(1) Arkansas has one of the highest sales and use tax rates in
the nation;

(2) The state should reduce the burden on taxpayers when
possible in a fiscally responsible manner;

(3) The Arkansas Tax Reform and Relief Legislative Task Force
studied the state's tax laws and policies to determine how to provide tax
relief and reform the state's tax laws; and

(4) The legislature should continue to study how the state can
reduce the sales and use tax rate in a fiscally responsible manner.

(b) The House Committee on Revenue and Taxation and the Senate
Committee on Revenue and Taxation shall meet jointly to conduct the Sales and
Use Tax Reduction Study.

(c)(1) The chairs of the House Committee on Revenue and Taxation and
the Senate Committee on Revenue and Taxation shall call the first joint



meeting for the purpose of beginning the study within sixty (60) days of the effective date of this act.

(2) All meetings shall be open public meetings under the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.

(3) Joint meetings for the purpose of conducting the study shall be held at least one (1) time every three (3) months but may occur more often at the call of the chairs.

(d) The purpose of the study is to make recommendations to the General Assembly regarding:

(1) A possible reduction of the sales and use tax rate; and

(2) How the reduction in state revenue resulting from the reduced sales and use tax rate could be offset through savings, income growth, or other means.

(e) In order to fulfill the purpose of this act, the House Committee on Revenue and Taxation and the Senate Committee on Revenue and Taxation shall conduct a study to include without limitation the following:

(1) The feasibility of reducing the state sales and use tax rate by five-tenths percent (0.5%);

(2) The overall cost to general revenue and special revenue resulting from a reduction of the sales and use tax rate; and

(3) The possible means of offsetting a reduction in state revenue through savings, income growth, and other means.

(f) On or before December 1, 2020, the House Committee on Revenue and Taxation and the Senate Committee on Revenue and Taxation shall file with the Legislative Council a final written report of their activities, findings, and recommendations, and the study shall be complete upon that submission.