

Stricken language would be deleted from and underlined language would be added to the Arkansas Constitution.

State of Arkansas
94th General Assembly
Regular Session, 2023

HJR 1007

By: Representative L. Fite
By: Senator K. Hammer

HOUSE JOINT RESOLUTION

AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO LEVY AN EXCISE TAX OF ONE-HALF OF ONE PERCENT (0.50%) ON CERTAIN TAXABLE SALES TO REIMBURSE COUNTIES FOR THE TAX REVENUE REDUCTION RESULTING FROM THE HOMESTEAD PROPERTY TAX CREDIT UNDER ARKANSAS CONSTITUTION, AMENDMENT 79, AND ADMINISTER THE APPLICATION OF THE HOMESTEAD PROPERTY TAX CREDIT UNDER ARKANSAS CONSTITUTION, AMENDMENT 79.

Subtitle

A CONSTITUTIONAL AMENDMENT TO LEVY AN EXCISE TAX ON CERTAIN TAXABLE SALES TO REIMBURSE COUNTIES FOR THE HOMESTEAD PROPERTY TAX CREDIT AND ADMINISTER THE APPLICATION OF THE HOMESTEAD PROPERTY TAX CREDIT.

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS, AND BY THE SENATE, A MAJORITY OF ALL MEMBERS ELECTED TO EACH HOUSE AGREEING THERETO:

THAT the following is proposed as an amendment to the Constitution of the State of Arkansas, and upon being submitted to the electors of the state for approval or rejection at the next general election for Representatives and Senators, if a majority of the electors voting thereon at the election adopt the amendment, the amendment shall become a part of the Constitution of



the State of Arkansas, to wit:

SECTION 1. Arkansas Constitution, Amendment 79, is amended to add an additional section to read as follows:

§ 5. Excise tax for administering homestead credit.

(a)(1)(A) An additional excise tax of one-half of one percent (0.50%) is levied on all taxable sales of tangible personal property, specified digital products, a digital code, and services subject to the tax levied by the Arkansas Gross Receipts Act of 1941, Arkansas Code § 26-52-101 et seq.

(B) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of all other Arkansas gross receipts taxes.

(2)(A) An additional excise tax of one-half of one percent (0.50%) is levied on all tangible personal property, specified digital products, a digital code, and services subject to the tax levied by the Arkansas Compensating Tax Act of 1949, Arkansas Code § 26-53-101 et seq.

(B) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by law for the collection, reporting, and payment of Arkansas compensating taxes.

(b) The taxes under subsection (a) of this section shall not be levied upon:

(1) Food and food ingredients; and

(2) The sale of used motor vehicles, trailers, and semitrailers.

(c) The revenue from the taxes under subsection (a) of this section shall be used solely for:

(1) Reimbursing counties for the tax revenue reduction resulting from the homestead property tax credit provided for under § 3 of this amendment; and

(2) Administering the application of the homestead property tax credit provided for under § 3 of this amendment.

(d) This amendment does not prohibit the General Assembly from allocating all or a portion of other taxes levied by Arkansas law, including without limitation taxes levied upon food and food ingredients and the sale of used vehicles, trailers, and semitrailers, to the purposes under subsection (c) of this section.

(e) The General Assembly may enact laws necessary to implement this

section.

SECTION 2. EFFECTIVE DATE. This amendment shall be effective on and after January 1, 2025.

SECTION 3. BALLOT TITLE AND POPULAR NAME. When this proposed amendment is submitted to the electors of this state on the general election ballot:

(1) The title of this Joint Resolution shall be the ballot title; and

(2) The popular name shall be "A Proposed Amendment to the Arkansas Constitution to Levy an Excise Tax of One-Half Percent (0.5%) on Certain Taxable Sales to Reimburse Counties for the Tax Revenue Reduction Resulting from the Homestead Property Tax Credit under Arkansas Constitution, Amendment 79, and Administer the Application of the Homestead Property Tax Credit under Arkansas Constitution, Amendment 79."