

**NOTICE FOR AMENDMENT REFERRED TO THE PEOPLE BY THE ARKANSAS
GENERAL ASSEMBLY**

Issue No. 1

NOTICE TO THE PUBLIC

Pursuant to Article 19, Section 22, of the Arkansas Constitution, the 92nd General Assembly refers the following constitutional amendment to a vote of the people on November 3, 2020, and will appear on the ballot as Issue No. 1. Each elector upon voting his/her ballot shall vote for or against this amendment. Underlined language would be added to the present Constitution. Stricken language would be deleted from the present Constitution. This Amendment was proposed in the Regular 2019 Session by Representative J. Wardlaw and filed as HJR1018.

Popular Name

An Amendment to the Arkansas Constitution Continuing a One-Half Percent (0.5%) Sales and Use Tax for State Highways and Bridges; County Roads, Bridges and Other Surface Transportation; and City Streets, Bridges, and Other Surface Transportation After the Retirement of the Bonds Authorized in Arkansas Constitution, Amendment 91

Ballot Title

An Amendment to the Arkansas Constitution to continue a levy of a one-half percent sales and use tax for state highways and bridges; county roads, bridges, and other surface transportation; and city streets, bridges, and other surface transportation after the retirement of the bonds authorized in Arkansas Constitution, Amendment 91, as special revenue to be distributed under the Arkansas Highway Revenue Distribution Law.

Complete Text of Proposed Amendment

SECTION 1. The Arkansas Constitution is amended to read as follows:

§ 1. Intent of amendment.

(a) Arkansas Constitution, Amendment 91, levies a one-half percent sales and use tax to provide additional funding for the state's four-lane highway system, county roads, and city streets.

(b) The one-half percent sales and use tax under Arkansas Constitution, Amendment 91, shall be abolished when there are no bonds outstanding to which tax collections are pledged as provided in this amendment.

(c) Notwithstanding Arkansas Constitution, Amendment 91, § 8, it is the intent of this amendment that the sales and use tax levied under Arkansas Constitution, Amendment 91, continue after the retirement of the bonds authorized in Arkansas Constitution, Amendment 91, to provide special revenue for use of maintaining, repairing, and improving the state's system of highways, county roads, and city streets.

§ 2. Excise tax.

(a)(1) Except for food and food ingredients, an additional excise tax of one-half percent (0.5%) 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.

(2) 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.

(b)(1) Except for food and food ingredients, an additional excise tax of one-half percent (0.5%) 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.

(2) 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.

§ 3. Disposition of revenue.

(a) The revenue from the taxes levied under § 2 of this amendment shall be distributed to the State Highway and Transportation Department Fund, the County Aid Fund, and the Municipal Aid Fund in the percentages provided in sections § 27-70-201 and § 27-70-206 of the Arkansas Highway Revenue Distribution Law.

(b) No revenue derived from the taxes levied under § 2 of this amendment shall be used to secure bonds issued by the State Highway Commission.

§ 4. Effective date.

(a) If the Chief Fiscal Officer of the State determines that a written statement under Arkansas Constitution, Amendment 91, § 8(b), has been filed with the Chief Fiscal Officer of the State before June 1, 2023, the tax under § 2 of this amendment shall be levied and collected on and after July 1, 2023.

(b) If a written statement under Arkansas Constitution, Amendment 91, § 8(b), has not been filed with the Chief Fiscal Officer of the State before June 1, 2023, the tax under § 2 of this amendment shall not be levied and collected until the first day of the first calendar quarter beginning more than thirty (30) days after a written statement under Arkansas Constitution, Amendment 91, § 8(b), is filed with the Chief Fiscal Officer of the State.

SECTION 2. 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 “An Amendment to the Arkansas Constitution Continuing a One-Half Percent (0.5%) Sales and Use Tax for State Highways and Bridges; County Roads, Bridges and Other Surface Transportation; and City Streets, Bridges, and Other Surface Transportation After the Retirement of the Bonds Authorized in Arkansas Constitution, Amendment 91”.