



Legislation Text

File #: ORD-15:043, **Version:** 1

AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE-EIGHTH OF ONE PERCENT (0.125%) SALES AND USE TAX WITHIN THE CITY OF JONESBORO, ARKANSAS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City Council of the City of Jonesboro, Arkansas (the "City") has determined that the City is in need of an additional source of revenue to be used for economic development purposes; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") provides for the levy of city-wide sales and use taxes at the rate of 0.125%, 0.25%, 0.5%, 0.75% or 1%, or any combination thereof; and

WHEREAS, Title 14, Chapter 175 of the Arkansas Code of 1987 Annotated (the "Public Corporation Legislation") authorizes the creation of a public corporation for the purpose of securing and developing industry and fostering economic development (a "Public Corporation"); and

WHEREAS, Title 14, Chapter 174 of the Arkansas Code of 1987 Annotated (the "Economic Development Legislation") authorizes a city to levy a sales and use tax pursuant to currently existing statutory authority, including the Authorizing Legislation, and to use the net collections of such sales and use tax for the sole use and benefit of a Public Corporation; and

WHEREAS, the City is currently levying a 1% sales and use tax under the authority of the Authorizing Legislation; and

WHEREAS, the purpose of this Ordinance is to levy an additional City-wide sales and use tax at the rate of 0.125%;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Jonesboro, Arkansas:

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied a one-eighth of one percent (0.125%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Act of 1941, as amended (A.C.A. §§26-52-101, et seq.), and the imposition of an excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personal property subject to the Arkansas Compensating Tax Act of 1949, as amended (A.C.A. §§26-53-101, et seq.), at a rate of one-eighth of one percent (0.125%) of the sale price of the property or, in the case of leases or rentals, of the lease or rental price (collectively, the "Sales and Use Tax"). The Sales and Use Tax shall be levied and collected on the gross receipts, gross proceeds or sales price in the maximum amount allowed from time to time under Arkansas law, subject to rebates and limitations as from time to time required by Arkansas statutes for certain single transactions.

Section 2. The Sales and Use Tax shall be levied, and the net collections received after deduction of the administrative charges of the State of Arkansas and required rebates (the "Net Collections") shall be used for the sole use and benefit of The Economic Development Corporation of Jonesboro, Arkansas, a Public

Corporation formed pursuant to the Public Corporation Legislation for the purpose of securing and developing industry and fostering economic development. The Net Collections shall be used by The Economic Development Corporation of Jonesboro, Arkansas as authorized by the Public Corporation Legislation.

Section 3. The levy of the Sales and Use Tax will expire on March 31, 2026.

Section 4. All ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 5. This Ordinance shall not take effect until an election is held on the question of levying the Sales and Use Tax at which a majority of the electors voting on the question shall have approved the levy of the Sales and Use Tax.

PASSED AND APPROVED this 8th day of September, 2015.