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ORDINANCE NO. 0-03-145

AN ORDINANCE PROVIDING FOR THE LEVY OF A LOCAL SALES AND USE TAX AT THE RATE OF THREE-QUARTERS OF ONE PERCENT (0.75%) WITHIN THE CITY OF CONWAY, ARKANSAS; CALLING A SPECIAL ELECTION ON THE QUESTION OF THE LEVY OF THE TAX; DEFINING THE TERM "SINGLE TRANSACTION;" PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City Council of the City of Conway, Arkansas (the "City") has determined that there is a critical need for an additional source of revenue to finance certain needed capital improvements of a public nature within and near the City; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act") authorizes the levy of citywide sales and use taxes; and

WHEREAS, said citywide sales and use taxes are to be levied and collected only on the first \$2,500 of each single transaction; and

WHEREAS, the purpose of this Ordinance is to call a special election on the levy by the City of a three-quarters of one percent (0.75%) sales and use tax, and to define the term "single transaction";

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

Section 1. That under the authority of the Act and subject to approval by the electors of the City as provided in Section 2 below, there is hereby levied a sales tax at the rate of three-quarters of one percent (0.75%) on the gross receipts from the sale at retail of all items and services that are subject to taxation under the Arkansas Gross Receipts Act of 1941, as amended (Arkansas Code of 1987 Annotated §26-52-101 *et seq.*), and an excise (or use) tax on the storage, use, distribution or other consumption within the City of tangible personal property subject to taxation under the Arkansas Compensating Tax Act of 1949, as amended (Arkansas Code of 1987 Annotated §26-53-101 *et seq.*), at the rate of three-quarters of one percent (0.75%) 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 only on the first \$2,500 of each "single transaction" (as defined in Section 8 hereof). The levy and collection of the Sales and Use Tax shall commence on and as of such date as provided in the Act and shall cease on and as of March 31, 2009.

Section 2. That there be, and there is hereby called, a special election to be held on Tuesday, November 18, 2003, at which election there shall be submitted to the electors of the City the question of the levy of the Sales and Use Tax.

Section 3. That the question shall be placed on the ballot for the special election in substantially the following form:

Section 8. That, for purposes of the Sales and Use Tax, the term "single transaction" is defined according to the nature of the goods purchased as follows:

A. When two or more devices in which, upon which or by which any person or property is, or may be, transported or drawn, including, but not limited to, on-road vehicles, off-road vehicles or farm vehicles, whether required to be licensed or not, airplanes, water vessels, motor vehicles, non-motorized vehicles and mobile homes, are sold to a person by a seller, each individual unit, whether part of a "fleet" sale or not, shall be treated as a single transaction for the purposes of the Sales and Use Tax;

B. Charges for utility services which are subject to the Sales and Use Tax, and which are furnished on a continuous service basis, whether such services are paid for daily, weekly, monthly or annually, shall be computed in daily increments, and each such daily charge increment shall be considered to be a single transaction for the purposes of the Sales and Use Tax;

C. For sales of building materials and supplies to contractors, builders or other persons, a single transaction, for the purposes of the Sales and Use Tax, shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which an aggregate sales (or use) tax figure has been reported and remitted to the State of Arkansas;

D. When two or more items of major household appliances, major equipment or machinery are sold, each individual unit shall be treated as a single transaction for the purposes of the Sales and Use Tax; and

E. For groceries, drug items, dry goods and other tangible personal property and/or services not expressly covered in this Section 8, a single transaction, for the purposes of the Sales and Use Tax, shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which an aggregate sales tax figure has been reported and remitted to the State of Arkansas.

Section 9. That all ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.