

ORDINANCE NO. 96-235

**AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE PERCENT SALES AND USE TAX WITHIN THE CITY OF CLINTON, ARKANSAS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.**

WHEREAS, the City Council of the City of Clinton, Arkansas (the "City") has determined that there is a great need for immediate improvement of municipal services and for a source of revenue to finance such services; and

WHEREAS, Title 26, Chapter 75, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Authorizing Legislation") provides for the levy of a new one percent (1%) city-wide sales and use tax;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Clinton, Arkansas;

Section 1. Under the authority of the Authorizing Legislation, there is hereby levied for the purpose of improving municipal services, a new one percent (1%) tax on the gross receipts from the sale at retail within the City of all items which are subject to the Arkansas Gross Receipts Tax Act of 1941, as amended (A.C.A. §26-52-101, et seq.), and the imposition of a new excise (or use) tax on the storage, use or other consumption within the City of tangible personable 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 percent (1%) 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 to a maximum tax of \$25 for each single transaction.

Section 2. "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, whether required to be licensed or not, off-road vehicles, farm vehicles, airplanes, water vessels, motor vehicles, or 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 purpose of this ordinance, and rebate of the city-wide sales and use tax be made for the excess over twenty-five dollars (\$25.00) paid on each individual unit; provided this provision shall not apply to motor vehicles handled under Section 3(j) Act 802 of 1983.

b. The charges for utility services, which are subject to the taxes levied under this ordinance, and which are furnished on a

continuous service basis, whether such services are paid daily, weekly, monthly or annually, for the purpose of the rebate provisions of this ordinance, shall be computed in daily increments, and each such daily charge increment shall be considered to be a single transaction for the purposes of this ordinance.

c. For sales of building materials and supplies to contractors builders or other persons, a single transaction for the purpose of this ordinance shall be deemed to be any single sale which is reflected on a single invoice, receipt or statement, on which aggregate sales (or use) tax figure has been reported and remitted to the State.

d. When two or more items of major household appliances; commercial appliances; major equipment and machinery are sold, each individual unit shall be treated as a single transaction for the purpose of this ordinance.

e. For groceries, drug items, dry goods and other tangible personal property and/or services not otherwise expressly covered in this section, a single transaction 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.

Section 3. That 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 this 8th day of August, 1996.

APPROVED:

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Mayor

ATTEST:

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City Recorder

(SEAL)