ORDINANCE NO. 93-03

AN ORDINANCE PROVIDING FOR THE LEVY OF A ONE PERCENT (1%) SALES AND USE TAX FOR 24 MONTHS WITHIN THE CITY OF COTTER, ARKANSAS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, the City of Cotter, Arkansas (the "City"), has determined that there is a great need for capital improvements and for a source of revenue to finance such improvements; and

WHEREAS, Title 14, Chapter 164, Section 338 of the Arkansas Code of 1987 as amended (the "Authorized Legislation") provides for the levy of a one percent (1%) citywide sales and use tax for capital improvements for a maximum of twenty-four (24) months;

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

SECTION 1. Under the authority of the Authorizing Legislation, there is hereby levied a one percent (1%) tax for 24 months 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 an 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 Sale 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 the Sales and Use Tax.

B. The 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 daily, weekly, monthly or annually, for the purpose of the Sales and Use Tax, 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 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, commercial appliances, major equipment and machinery are sold, each individual unit shall be treated as a single transaction for the purposes of the Sales and Use Tax.

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 of Arkansas.

SECTION 3. That all ordinances and parts thereon in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 4. 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 and until such time as the termination of the City of Cotter, Arkansas $200,000.00 Sales and Use Tax Bonds dated August 1, 1986.

PASSED: May 20, 1993.

APPROVED:

Rex S Baylor

MAYOR

ATTEST:

Sharon Davis

CITY CLERK