

RESOLUTION NO. 172

A RESOLUTION AUTHORIZING THE DISTRIBUTION OF THE ONE (1%) PERCENT CITY WIDE SALES AND USE TAX, AS PROVIDED FOR IN ORDINANCE NO. 2005-4-212.

WHEREAS, the City Council of the City of Tontitown, 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 3 of the Arkansas code of 1987 Annotated (the "Authorizing Legislation") provides for the levy of a one percent (1%) citywide sales and use tax;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TONTITOWN, ARKANSAS:

Section 1: Under the authority of the Authorizing Legislation, there is hereby levied a 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 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 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 on the first \$2,500.00 for each single transaction.

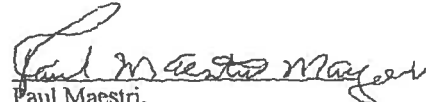
Section 2: That the sales and use tax, as levied and collected, shall be distributed and disbursed in the following manner and for the following purposes.

- a) Forty (40) percent of one-percent (1%) shall be utilized for the purpose of construction, development and maintenance of the roads and roadways in the City of Tontitown, Arkansas.
- b) Forty (40) percent of one-percent (1%) shall be utilized for the purpose of development and maintenance of the sewer system in the City of Tontitown, Arkansas.
- c) Twenty (20) percent of one-percent (1%) shall be utilized for the purpose of

the construction and maintenance of parks and municipal buildings and other projects as are allowed by law.


PASSED AND APPROVED this 3 day of May, 2005.

APPROVED:


Paul Maestri,
Mayor



ATTEST:


City Recorder/Treasurer