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initiative for state highway improvements that voters approved last November.

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Arkansas residents will soon be paying a bit more sales tax as a result of a ballot initiative for state highway improvements that voters approved last November.

Amendment 91 to the Arkansas Constitution will increase the state sales tax by one-half percent, effective July 1. The measure will put the state portion of the tax at 6.5 percent. After adding state and local levies, Fort Smith purchases will cost an additional 9.75 cents per dollar.

Roberta Overman, manager of the Sales and Use Tax Sector of the Department of Finance and Administration, said staff members have distributed the required 60-day notice of the changes and are preparing for the inevitable phone calls that accompany an increase.

Overman said the increase marks the first adjustment in the state tax rate since 2004 when the seven-eighths (0.875) of a percent tax for educational adequacy took effect. However, she said DFA workers encounter quarterly changes in local sales taxes that counties and cities may adopt on special ballots.

She said computerization of state systems several years back has simplified the computation of new taxes and the monitoring of their collection. Taxpayers who remit incorrect amounts are notified of the discrepancy.

The increase will not affect the 1.5 percent reduced tax rate for food levied by the state. It will involve increases to the state manufacturing utilities rate to 3.25 percent and the electricity manufacturing rate to 4.75.

Voters approved the issue adopting the amendment by a 58 percent to 42 percent. It

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highway bypass projects in Springdale and Bella Vista. But officials say the locally-targeted funds will be a welcome addition to existing road repair budgets.

Sebastian County Judge David Hudson said the \$750,000 annual distribution the county expects to get from the tax over the next decade go toward continuation and expansion of county road and bridge improvements.

"My number one priority is the bridge repair system we have had in place since 2002," he said. Hudson said a recent tabulation showed the program has reduced the county bridge inventory to a single structure deemed structurally deficient and just over 20 "functionally obsolete" — sound, but not designed to accommodate current vehicle and traffic demands.

As funds permit, Hudson said he would also like to put more money into upgrades on existing roads, maintaining the county's road resealing schedule and addressing roads threatened by drainage and flood problems.

Crawford County Judge John Hall also sees the tax funds as a welcome boost to road improvement funds in his jurisdiction.

"This will be a pretty good deal for us," Hall said of the \$450,000 he said the tax may bring in each year. "It might allow us to buy more gravel, put in three to four more miles of new road or buy some new paving machinery that we need."

Information on Amendment 91 is part of a three-page summary the DFA issued under the heading "Whats New For Sales Tax in 2013." It details other changes in tax rules, regulations and exemptions due to tax effect later this year and 2014.

It also notes continuation of Arkansas annual sales tax holiday for back-to-school purchases. It will occur over the weekend of Aug. 3-4 this year.

In October, another three sales tax exemptions will take effect. They eliminate sales

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