

Hall of the House of Representatives
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of House Bill No. 2453

"TO ADD AN ADDITIONAL SEVEN AND ONE-HALF PERCENT (7 1/2%) SALES OR USE
TAX ON TOBACCO PRODUCTS AND TO LEVY AN ADDITIONAL ONE CENT (1¢) PER
PACK TAX ON CIGARETTES TO FUND SCHOLARSHIP PROGRAMS.. "

Amendment No. 1 to House Bill No. 2453.

Amend House Bill No. 2453 as originally introduced:

Delete all language after the enacting clause and substitute the following:

“SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 3 is amended to add an additional section to read as follows:

26-52-315. Additional tax on tobacco products.

(a) For the purposes of this section, “tobacco products” means all products containing tobacco for consumption and includes, but is not limited to, the following:

- (1) Cigarettes;
- (2) Cigars;
- (3) Little cigars;
- (4) Cigarellos;
- (5) Chewing tobacco;
- (6) Smokeless tobacco;
- (7) Snuff;
- (8) Smoking tobacco;
- (9) Pipe tobacco; and
- (10) Smoking tobacco substitutes.

(b)(1) Beginning May 1, 2003, there is levied an additional excise tax of seven and one-half percent (7 1/2%) upon the gross receipts or gross proceeds derived from all sales of tobacco products subject to the tax levied under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.

(2) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by the Arkansas Gross Receipts Act of 1941, as amended, § 26-52-101 et seq., for the collection, reporting, and payment of Arkansas gross receipts taxes.

(c) The revenue collected under this section shall be deposited in the State Treasury as special revenues to the credit of the Higher Education Grants Fund Account to be used exclusively by the Department of Higher Education to fund the Arkansas Academic Challenge Scholarship Program, created under § 6-82-1003, and the Arkansas Governor’s Scholars Program,



created under § 6-82-303, of the Department of Higher Education.

SECTION 2. Arkansas Code Title 26, Chapter 53, Subchapter 1 is amended to add an additional section to read as follows:

26-53-141. Additional tax on tobacco products.

(a) For the purposes of this section, "tobacco products" means all products containing tobacco for consumption and includes, but is not limited to, the following:

- (1) Cigarettes;
- (2) Cigars;
- (3) Little cigars;
- (4) Cigarettes;
- (5) Chewing tobacco;
- (6) Smokeless tobacco;
- (7) Snuff;
- (8) Smoking tobacco;
- (9) Pipe tobacco; and
- (10) Smoking tobacco substitutes.

(b)(1) Beginning May 1, 2003, there is levied an additional excise tax of seven and one-half percent (7 1/2%) upon the sales price of tobacco products sold in another state for use or consumption in this state.

(2) The tax shall be collected, reported, and paid in the same manner and at the same time as is prescribed by the Arkansas Gross Receipts Act of 1941, as amended, § 26-52-101 et seq., for the collection, reporting, and payment of Arkansas gross receipts taxes.

(c) The revenue collected under this section shall be deposited in the State Treasury as special revenues to the credit of the Higher Education Grants Fund Account to be used exclusively by the Department of Higher Education to fund the Arkansas Academic Challenge Scholarship Program, created under § 6-82-1003, and the Arkansas Governor's Scholars Program, created under § 6-82-303, of the Department of Higher Education.

SECTION 3. Arkansas Code Title 26, Chapter 57, Subchapter 8, is amended to add an additional section to read as follows:

26-57-804. Additional tax - Higher Education Scholarship Fund.

(a) In addition to the excise or privilege taxes levied under §§ 26-57-208, 26-57-802, and 26-57-803, there is levied a tax of fifty cents (50¢) per one thousand (1,000) cigarettes sold in the state beginning on May 1, 2003.

(b) The additional tax levied under this section shall apply to cigarettes sold in Arkansas within three hundred feet (300') of a state line or in any city which adjoins a state line.

(c) Any exemptions or waivers allowed under the Arkansas Tobacco Products Tax Act of 1977, as amended, § 26-57-201 et seq., shall apply to this section.

(d) The additional tax levied under this section is reported and remitted in the same manner and at the same time as other taxes levied on cigarettes in the Arkansas Tobacco Products Tax Act of 1977, as amended, § 26-57-201 et seq.

(e) The revenue collected under this section shall be deposited in the State Treasury as special revenue to the credit of the Higher Education Grants Fund Account to be used exclusively by the Department of Higher

Education to fund the Arkansas Academic Challenge Scholarship Program, created under § 6-82-1003, and the Arkansas Governor's Scholars Program, created under § 6-82-303, of the Department of Higher Education.

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the state is experiencing budgetary hardships due to a decline in the economic conditions in the state; that additional revenue is needed for the Arkansas Department of Higher Education to be dedicated to sustaining and funding the Arkansas Academic Challenge Scholarship Program and the Arkansas Governor's Scholars Program, as well as other state higher education scholarship programs; and that this act is immediately necessary to levy additional excise taxes on tobacco products to provide special revenue to secure that future scholarship or grant programs are funded, and to continue the effort to produce an educated work force for the state to attract and retain business and industry. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on May 1, 2003."

The Amendment was read _____
By: Representative Bright
JSE/RCK - 031220030945
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Chief Clerk