

ARKANSAS SENATE
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of Senate Bill No. 947
"AN ACT TO REMOVE LICENSED CIGARETTE WHOLESALERS FROM THE
REQUIREMENTS OF THE UNFAIR CIGARETTE SALES ACT AND TO ADD AN
ADDITIONAL WHOLESALER CIGARETTE TAX"

Amendment No. 1 to Senate Bill No. 947.

Amend Senate Bill No. 947 as originally introduced:

Page 1, delete lines 9 through 11 and substitute the following:
"AN ACT TO PROVIDE EDUCATIONAL FUNDING THROUGH AN ADDITIONAL WHOLESALE"

AND

Page 1, delete lines 15 through 18 and substitute the following:
"AN ACT FOR ADDITIONAL EDUCATIONAL FUNDING."

AND

Delete everything after the enacting clause and substitute the following:

"SECTION 1. Arkansas Code Title 26, Chapter 57, Subchapter 8, is amended to add an additional section to read as follows:

26-57-804. Wholesale cigarette tax.

(a) In addition to the excise or privilege taxes levied under §§ 26-57-208, 26-57-802, 26-57-803, or other statute of this state, there is levied under this subchapter a wholesale cigarette tax of five dollars (\$5.00) per one thousand (1,000) cigarettes for cigarettes sold at wholesale that are stamped pursuant to § 26-57-235 or that are otherwise sold for retail sale within this state.

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

(c) Any exemption or waiver allowed under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq., applies to this section.

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



(e) The moneys collected under this section shall be deposited in the State Treasury as special revenues to the credit of the General Revenue Fund Account of the State Apportionment Fund to be used for educational purposes.

(f) The wholesale cigarette tax assessed under this section shall not be included in the basic cost of cigarettes set forth in § 4-75-702(1) but shall be assessed as and is considered part of the cost to wholesaler as defined in § 4-75-702(5).

(g) The tax levied by this section shall not apply to cigarette package tax stamps held by a wholesaler on the date this section becomes effective or the sale of cigarettes that are in a wholesaler's warehouse inventory on the date this section becomes effective.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Supreme Court in Lake View School District No. 25 v. Huckabee, 351, Ark. 31, (2002) has declared the now existent system of education to be unconstitutional because it is both inequitable and inadequate; that revenue available for the support of necessary state services has declined during the last twelve months as a result of the nationwide economic slow down; and that a tax levied on cigarettes at the wholesale level will provide necessary revenue to fund educational improvements. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Bisbee
LDH/JMB - 041420031014
JMB599

Secretary