

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

A Bill

HOUSE BILL 2281

4
5 By: Representative Nichols
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For An Act To Be Entitled

9 AN ACT TO PROVIDE FOR AN INCREASE IN BEER AND
10 LIQUOR TAXES IF ANY TAX ON TOBACCO PRODUCTS IS
11 INCREASED; TO PROVIDE THAT THE BEER AND LIQUOR
12 TAXES ARE INCREASED THE SAME PERCENTAGE AS ANY
13 INCREASE IN TAXES ON TOBACCO PRODUCTS; AND FOR
14 OTHER PURPOSES.

Subtitle

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17 TO PROVIDE FOR AN INCREASE IN BEER AND
18 LIQUOR TAXES IF ANY TAX ON TOBACCO
19 PRODUCTS IS INCREASED; TO PROVIDE THAT
20 THE BEER AND LIQUOR TAXES ARE INCREASED
21 THE SAME PERCENTAGE AS ANY INCREASE IN
22 TAXES ON TOBACCO PRODUCTS.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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27 SECTION 1. (a) For purposes of this section, "Tobacco products" means
28 all products containing tobacco for consumption and includes, but is not
29 limited to, cigarettes, cigars, little cigars, cigarettos, chewing tobacco,
30 smokeless tobacco, snuff, smoking tobacco, pipe tobacco, and smoking tobacco
31 substitutes.

32 (b)(1) If any tax on tobacco products levied by Arkansas Code §§ 26-
33 57-208, 26-57-802, or 26-57-803 is increased by law or if any additional
34 wholesale tax on tobacco products is imposed by law, then the following taxes
35 are increased by the same percentage:

36 (A) The beer tax levied under Arkansas Code § 3-7-



1 104(6)(A);

2 (B) The spirituous liquor tax levied under Arkansas Code
 3 § 3-7-104(1)(A); and

4 (C) The premixed spirituous liquor tax levied under
 5 Arkansas Code § 3-7-104(2)(A).

6 (2) Except as provided in subsection (c) of this section, any
 7 tax increase required by this subsection (b) shall become effective at the
 8 same time as the increase in the tax on tobacco products.

9 (c) The increase in beer, spirituous liquor, and premixed spirituous
 10 liquor tax is calculated by:

11 (1) Determining the percentage of the increase in the wholesale
 12 tax on tobacco products by comparing the amount of the increase in the tax or
 13 the amount of the additional tax on tobacco products to the total wholesale
 14 tax levied against tobacco products before the increase in the tax or the
 15 amount of the additional tax;

16 (2) Determining the amount of the increase in each of the taxes
 17 on beer, spirituous liquor, and premixed spirituous liquor by multiplying the
 18 current amount of the tax on beer, spirituous liquor, and premixed spirituous
 19 liquor by the percentage of the increase in wholesale tax on tobacco
 20 products; and

21 (3) Determining the adjusted tax on beer, spirituous liquor, and
 22 premixed spirituous liquor by adding the amount of the increase in each of
 23 the taxes to the current amount.

24 (d)(1) Subsections (b) and (c) of this section shall also apply to any
 25 increase in the tax on tobacco products by an act of the 2003 Regular Session
 26 of the General Assembly that became effective before the effective date of
 27 this act.

28 (2) If an increase in beer, spirituous liquor, or premixed
 29 spirituous liquor tax is required under this subsection (d), then the
 30 increase is effective on the first day of the second calendar month following
 31 the effective date of this act.

32 (e) The Arkansas Code Revision Commission shall conform the tax rates
 33 that appear in the Arkansas Code to changes required under this section.

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 35 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
 36 General Assembly of the State of Arkansas that taxes on tobacco products are

1 often increased while beer and liquor taxes are not; that if the General
2 Assembly increases the taxes on tobacco products, but not the beer and liquor
3 taxes, then the tax burden will be unfairly shifted to tobacco products; that
4 the taxes on beer and liquor should be increased the same percentage as the
5 taxes on tobacco products to prevent an unfair burden from being placed on
6 tobacco products and to more evenly distribute the tax burden; and that this
7 act is immediately necessary to insure that beer and liquor taxes are
8 increased the same percentage and to prevent tobacco products from bearing an
9 unfair tax burden. Therefore, an emergency is declared to exist and this act
10 being immediately necessary for the preservation of the public peace, health,
11 and safety shall become effective on:

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

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

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

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