

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
4

As Engrossed: H3/28/03

A Bill

HOUSE BILL 2662

5 By: Representative Mahony
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For An Act To Be Entitled

9 AN ACT TO LEVY AN ADDITIONAL TOBACCO EXCISE TAX
10 ON CIGARETTES OF SEVEN PERCENT (7%) OF THE GROSS
11 INVOICE COST OF CIGARETTES TO A RETAILER; AND FOR
12 OTHER PURPOSES.

Subtitle

14 AN ACT TO LEVY AN ADDITIONAL TOBACCO
15 EXCISE TAX ON CIGARETTES OF SEVEN
16 PERCENT (7%) OF THE GROSS INVOICE COST
17 OF CIGARETTES TO A RETAILER.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code Title 26, Chapter 57, Subchapter 8 is amended
23 to add an additional section to read as follows:

24 26-57-804. Cigarette Excise Tax.

25 (a)(1) In addition to the excise or privilege taxes levied on
26 cigarettes under §§ 26-57-208, 26-57-802, and 26-57-803, there is levied an
27 additional tax of seven percent (7%) of the gross invoice cost of cigarettes
28 sold by a wholesaler to a retailer.

29 (2) The additional tax on cigarettes shall be collected by the
30 wholesaler acting as agent of the state from the retailer, who in turn shall
31 pass on the tax to the consumer, if the retailer elects.

32 (3) The term "gross invoice cost" means the wholesaler's price
33 for the product sold as listed on the invoice to the retailer before any
34 deduction for allowances, whether manufacturer promotional allowances or
35 otherwise, or for discounts of any kind.

36 (4) The term "manufacturer promotional allowances" means any



1 payment or compensation given by a manufacturer of cigarettes to wholesalers
2 or to retailers to promote the sale of cigarettes, and which the manufacturer
3 requires the wholesaler to pass on to the retailer and the retailer to pass
4 on to the retailer's customer.

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

9 (c) The revenues derived from the additional tax imposed by this
10 section shall be credited to the General Revenue Fund of the State
11 Apportionment Fund, there to be distributed with the other gross general
12 revenue collections for that month in accordance with the provisions of § 19-
13 5-201 et seq.

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15 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
16 General Assembly of the State of Arkansas that revenue available for the
17 support of necessary state services has declined during the last twelve
18 months as a result of the nationwide economic slow down; that without
19 additional revenue some state services will be reduced or eliminated; that
20 some Arkansans will suffer as a result of service reductions or cuts; and
21 that this bill will provide the necessary revenue to avoid state service
22 reductions or cuts. Therefore, an emergency is declared to exist and this
23 act being immediately necessary for the preservation of the public peace,
24 health, and safety shall become effective on July 1, 2003.

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26 /s/ Mahony
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