

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 2684

4
5 By: Representative Mahony
6
7

For An Act To Be Entitled

8
9 AN ACT TO RAISE NEEDED FUNDS FOR MEDICAID BY
10 AMENDING THE ARKANSAS SOFT DRINK TAX ACT, § 26-
11 57-901 ET SEQ.; AND FOR OTHER PURPOSES.
12

Subtitle

13
14 TO AMEND THE ARKANSAS SOFT DRINK TAX
15 ACT.
16
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
19

20 SECTION 1. Arkansas Code § 26-57-904(a), regarding the tax rate under
21 the Arkansas Soft Drink Tax Act, is amended to read as follows:

22 (a) There is hereby levied and there shall be collected a tax upon
23 every distributor, manufacturer, or wholesale dealer, to be calculated as
24 follows:

25 (1) ~~Two dollars (\$2.00)~~ Two dollars and fifty-seven cents
26 (\$2.57) per gallon for each gallon of soft drink syrup or simple syrup sold
27 or offered for sale in the State of Arkansas;

28 (2) ~~Twenty-one cents (21¢)~~ Twenty-seven cents (27¢) per gallon
29 for each gallon of bottled soft drinks sold or offered for sale in the State
30 of Arkansas;

31 (3)(A) Where a package or container of powder or other base
32 product, other than a syrup or simple syrup, is sold or offered for sale in
33 Arkansas, and the powder is for the purpose of producing a liquid soft drink,
34 then the tax on the sale of each package or container shall be equal to
35 ~~twenty-one cents (21¢)~~ twenty-seven cents (27¢) for each gallon of soft drink
36 which may be produced from each package or container by following the



03072003JSE1140.TWO187

1 manufacturer's directions.

2 (B) This tax applies when the sale of the powder or other
3 base is sold to a retailer for sale to the ultimate consumer after the liquid
4 soft drink is produced by the retailer.

5
6 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
7 General Assembly of the State of Arkansas that the state is experiencing
8 budgetary hardships due to a decline in the economic conditions in the state;
9 that additional revenue is needed for Medicaid services in this state, that
10 federal Medicaid matching money may be lost if additional revenue is not
11 generated; and that this act is immediately necessary to ensure that
12 essential services for low income and disabled individuals in this state are
13 provided. Therefore, an emergency is declared to exist and this act being
14 necessary for the preservation of the public peace, health, and safety shall
15 become effective on July 1, 2003.

16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36