1	State of Arkansas	As Engrossed: H3/17/03		
2	84th General Assembly	A Bill		
3	Regular Session, 2003		HOUSE BILL 2757	
4				
5	By: Representative Walters			
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7				
8	For An Act To Be Entitled			
9	AN ACT TO	AN ACT TO REPEAL ARKANSAS CODE § 26-57-208(1)(A)		
10	THROUGH (C).			
11				
12	Subtitle			
13	AN ACT	AN ACT TO REPEAL ARKANSAS CODE § 26-57-		
14	208(1)	(A) THROUGH (C).		
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16				
17	BE IT ENACTED BY THE GE	NERAL ASSEMBLY OF THE STATE O	OF ARKANSAS:	
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19	SECTION 1. Arkan	sas Code § 26-57-208(1)(A) th	rough (C) are repealed.	
20	(A) Whenever there are two (2) adjoining cities each with			
21	a population of five thousand (5,000) or more separated by a state line, the			
22	tax on cigarettes sold in such adjoining Arkansas city shall be at the rate			
23	imposed by law on cigarettes sold in the adjoining city outside of Arkansas.			
24	The tax shall not exceed the tax upon cigarettes imposed by this subchapter.			
25	(B) The tax on cigarettes sold in Arkansas within three			
26	hundred feet (300') of a state line or in any Arkansas city which adjoins a			
27	state line shall be at the rate imposed by law on cigarettes sold in the			
28	adjoining state. The tax shall not exceed the tax upon cigarettes imposed by			
29	this subchapter.			
30	(C)(i	(C)(i) The reduced border zone tax rates set forth in		
31	subdivisions (1)(Λ) and (1)(B) of this section apply only to sales made at			
32	retail by Arkansas border zone retailers to actual consumers of the			
33	cigarettes.			
34	(ii) The sale of cigarettes by an Arkansas border			
35	zone retailer to any other retailer or wholesaler does not qualify for the			
36	reduced border zone tax rate. The full amount of Arkansas eigarette excise			

tax will be due on any cigarettes sold in such a manner.

SECTION 2. Arkansas Code § 26-57-203(19), definition of wholesaler for purposes of the Arkansas Tobacco Products Tax Act, is amended to read as follows:

"(19) "Wholesaler" means any individual or person, not a manufacturer or owned or operated by a manufacturer, who does business within this state at or from an established place of business who purchases unstamped or untaxed cigarettes or other tobacco products directly from manufacturers that distribute tobacco products in Arkansas, and who sells to properly licensed cigarette vendors or retailers. However, where an Arkansas city is separated from a city in another state only by a state line, a resident of the Arkansas city who maintains a warehouse in the adjoining city in the adjoining state may qualify as a wholesaler under this subchapter if that person is regularly engaged in the sale of tobacco products to licensed retailers within Arkansas as a first sale and is eligible to purchase unstamped cigarettes direct from manufacturers.

18 /s/ Walters