

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 85th General Assembly
3 Regular Session, 2005

A Bill

SENATE BILL 930

4
5 By: Senators Bryles, Madison
6 By: Representatives Pate, Verkamp, J. Hutchinson, Saunders, Stovall, Ledbetter

For An Act To Be Entitled

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10 AN ACT TO SUPPORT QUALIFIED MANUFACTURERS AND
11 WHOLESALERS; AND FOR OTHER PURPOSES.

Subtitle

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14 AN ACT TO SUPPORT QUALIFIED
15 MANUFACTURERS AND WHOLESALERS.

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

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20 SECTION 1. Arkansas Code Title 3, Chapter 7, Subchapter 1 is amended
21 to add a new section to read as follows:

22 3-7-116. Tax credit for qualified manufacturers and wholesalers.

23 (a) For purposes of this section:

24 (1) "Barrel" means thirty-one gallons (31 gals.) of liquid;

25 (2) "Beer" means any fermented liquor made from malt or any
26 substitute having an alcoholic content of not more than five percent (5%) by
27 weight;

28 (3) "Malt beverage" means any liquor brewed from the fermented
29 juices of grain and having an alcoholic content of not less than five percent
30 (5%) or more than twenty-one percent (21%) by weight;

31 (4)(A)(i) "Qualified manufacturer" means a person who
32 manufactures a combined total of less than sixty thousand (60,000) barrels of
33 beer and malt beverage during the twelve-month period immediately preceding
34 the twelve-month period for which the credit under this section is claimed.

35 (ii) "Qualified manufacturer" includes a person
36 licensed under §§ 3-5-1201 – 3-5-1208 or §§ 3-5-1401 – 3-5-1414;



1 (B) The maximum quantity of less than sixty thousand
 2 (60,000) barrels of beer and malt beverage shall be computed by combining all
 3 brands and labels of beer and malt beverage manufactured at all manufacturing
 4 facilities owned or controlled by the qualified manufacturer; and

5 (5) "Wholesaler" means a person licensed by the Alcoholic
 6 Beverage Control Division as a wholesaler who purchases beer or malt beverage
 7 from a qualified manufacturer.

8 (b)(1)(A)(i) A qualified manufacturer is entitled to a tax credit
 9 equal to seven dollars and fifty cents (\$7.50) per barrel of beer or malt
 10 beverage sold or offered for sale in Arkansas each month by the qualified
 11 manufacturer if the qualified manufacturer is required to report and pay tax
 12 under §§ 3-7-104(6) or § 3-5-1408(3) on the beer or malt beverage first sold
 13 or offered for sale in this state.

14 (ii) A wholesaler is entitled to a tax credit equal
 15 to seven dollars and fifty cents (\$7.50) per barrel of beer or malt beverage
 16 sold or offered for sale in Arkansas each month by the wholesaler if the
 17 wholesaler is required to report and pay tax under §§ 3-7-104(6) on the beer
 18 or malt beverage first sold or offered for sale in this state.

19 (B) The credit claimed each month under this section shall
 20 not exceed the monthly tax liability of the qualified manufacturer or the
 21 wholesaler under §§ 3-7-104(6) and 3-5-1408(3).

22 (C) A wholesaler may only claim a credit for beer or malt
 23 beverage purchased from a qualified manufacturer

24 (2) The total amount of credit that may be claimed by a
 25 qualified manufacturer under this section during a twelve-month period shall
 26 not exceed the lesser of:

27 (A) One hundred fifteen thousand dollars (\$115,000); or

28 (B) The qualified manufacturer's total liability for tax
 29 under §§ 3-7-104(6) and 3-5-1408(3) during the twelve-month period.

30 (3) The total amount of credit that may be claimed by a
 31 wholesaler under this section during a twelve-month period shall not exceed
 32 the lesser of:

33 (A) One hundred fifteen thousand dollars (\$115,000); or

34 (B) The wholesaler's total liability for tax under §§ 3-7-
 35 104(6) during the twelve-month period.

36 (3) The first twelve-month period for which a qualified

1 manufacturer or a wholesaler may claim a credit under this section begins on
2 the first day of the calendar month after the effective date of this section.

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4 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
5 General Assembly of the State of Arkansas that beer and malt beverage
6 manufacturers and wholesalers are an important component of the state
7 economy; that in order to be competitive beer and malt beverage manufacturers
8 are in urgent need of immediate tax relief; and that this act is immediately
9 necessary to enable the manufacturers to continue operations and contribute
10 to the state economy. Therefore, an emergency is declared to exist and this
11 act being immediately necessary for the preservation of the public peace,
12 health, and safety shall become effective on the first day of the calendar
13 month after:

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

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

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