

Hall of the House of Representatives
92nd General Assembly - Regular Session, 2019
Amendment Form

Subtitle of Senate Bill No. 571

TO CREATE AN EARNED INCOME TAX CREDIT, AN INCREASED STANDARD DEDUCTION, AND AN
INDIVIDUAL INCOME TAX REDUCTION; AND TO PROVIDE FUNDING FOR INCOME TAX
REDUCTIONS THROUGH NEW TAXES ON CIGARETTES AND E-CIGARETTES.

Amendment No. 2 to Senate Bill 571

Amend Senate Bill No. 571 as engrossed, H3/27/19 (version: 03/27/2019 9:53:18 AM)

Delete Representatives Clowney, F. Allen, Blake, Boyd, Burch, Cloud, A. Collins, Cozart, D. Douglas, Evans, D. Ferguson, K. Ferguson, Fielding, V. Flowers, D. Garner, Glover, Godfrey, Hillman, M. Hodges, Kelly, Love, Lynch, Magie, McCullough, Murdock, Nicks, Perry, Richardson, Richey, Rushing, Rye, Scott, Walker, Watson, D. Whitaker as cosponsors of the bill

AND

Delete Senators Bledsoe, Bond, E. Cheatham, L. Chesterfield, J. Cooper, L. Eads, Elliott, Hester, Irvin, B. Johnson, M. Johnson, G. Leding, Maloch, M. Pitsch, Rapert, D. Wallace as cosponsors of the bill

AND

Page 1, line 14, delete "TO INCREASE THE"

AND

Page 1, delete lines 15 and 16

AND

Page 1, line 17, delete "INCOME TAX CREDIT TRUST FUND;"

AND

Page 1, line 18, delete "NEW TAXES ON CIGARETTES AND" and substitute "A TAX ON"



AND

Page 1, line 20, delete "TO IMPOSE A SPECIAL EXCISE TAX ON THE"

AND

Page 1, line 21, delete "RETAIL SALE OF CIGARETTES;" and substitute "TO CREATE THE CIGARETTE TAX AND INCOME TAX REFORM STUDY;"

AND

Delete the subtitle in its entirety, and substitute the following:

"TO PROVIDE FOR AN INDIVIDUAL INCOME TAX
REDUCTION; TO PROVIDE FUNDING FOR THE
INCOME TAX REDUCTION THROUGH A TAX ON E-
CIGARETTES; AND TO CREATE THE CIGARETTE
TAX AND INCOME TAX REFORM STUDY."

AND

Delete SECTION 1 of the bill in its entirety

AND

Page 2, delete lines 30 and 31, and substitute the following:

"\$0	\$4,499	0%
\$4,500	\$8,899	2% <u>1%</u> "

AND

Delete SECTIONS 3 and 4 of the bill in their entirety

AND

Page 4, line 12, delete "additional subchapters" and substitute "an additional subchapter"

AND

Page 4, delete lines 13 through 36

AND

Page 5, delete lines 1 through 19

AND

Page 5, line 21, delete "17" and substitute "16"

AND

Page 5, line 23, delete "26-57-1701" and substitute "26-57-1601"

AND

Page 5, line 27, delete "26-57-1702" and substitute "26-57-1602"

AND

Page 5, line 32, delete "26-57-1703" and substitute "26-57-1603"

AND

Page 5, line 35, delete "26-57-1702" and substitute "26-57-1602"

AND

Page 6, line 4, delete "26-57-1704" and substitute "26-57-1604"

AND

Page 6, line 5, delete "26-57-1702" and substitute "26-57-1602"

AND

Page 6, line 9, delete "26-57-1705" and substitute "26-57-1605"

and

Page 6, line 15, delete "26-57-1706" and substitute "26-57-1606"

AND

Page 6, delete lines 16 and 17, and substitute the following:

"The privilege tax levied under § 26-57-1602 applies to e-cigarettes sold on or after the"

AND

Page 6, line 20, delete "26-57-1707" and substitute "26-57-1607"

AND

Page 7, delete lines 4 through 9, and substitute the following:

"(a) Section 1 of this act is effective for tax years beginning on or after January 1, 2020.

(b) Section 2 of this act is effective on the first day of the second calendar month following the effective date of this act."

AND

Immediately following SECTION 7 of the bill, add an additional section to read as follows:

"SECTION 5. TEMPORARY LANGUAGE. DO NOT CODIFY. Cigarette Tax and Income Tax Reform Study – Creation – Duties.

(a) The General Assembly finds that:

(1) Arkansas spends hundreds of millions of dollars a year to help pay for the cost of treating tobacco-related illnesses;

(2) The state cigarette tax should be increased, or a new tax on cigarettes should be levied, to help pay for the cost of treating tobacco-related illnesses;

(3) The Arkansas Tax Reform and Relief Legislative Task Force studied the state's tax laws and policies to determine how to provide tax relief and reform the state's tax laws;

(4) The legislature should continue to study how the state can reform and reduce income taxes in a fiscally responsible manner; and

(5) Where possible, revenues resulting from increases in taxes should be used to offset other tax reductions.

(b) The House Committee on Revenue and Taxation, the Senate Committee on Revenue and Taxation, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor shall meet jointly to conduct the Cigarette Tax and Income Tax Reform Study.

(c)(1) The chairs of the House Committee on Revenue and Taxation, the Senate Committee on Revenue and Taxation, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor shall call the first joint meeting for the purpose of beginning the study within sixty (60) days of the effective date of this act.

(2) All meetings shall be open public meetings under the Freedom of Information Act of 1967, Arkansas Code § 25-19-101 et seq.

(3) Joint meetings for the purpose of conducting the study shall be held at least one (1) time every three (3) months but may occur more often at the call of the chairs.

(d) The purpose of the study is to make recommendations to the General Assembly regarding:

(1) Additional taxes on cigarettes to help offset the costs to the state of covering the treatment of tobacco-related illnesses; and

(2) The reduction of the income tax burden on individuals, particularly low-income and middle-income individuals.

(e) In order to fulfill the purpose of this act, the House Committee on Revenue and Taxation, the Senate Committee on Revenue and Taxation, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor shall conduct a study to include without limitation the following:

(1) How much the cigarette tax should be increased or the rate at which a new tax on cigarettes should be levied to help offset the costs to the state of covering the treatment of tobacco-related illnesses;

(2) The feasibility of enacting an earned income tax credit to reduce the tax burden on low- and middle-income Arkansans; and

(3) The possibilities for reducing the income tax burden on individuals, including without limitation an increase in the standard deduction amount.

(f) On or before December 1, 2020, the House Committee on Revenue and Taxation, the Senate Committee on Revenue and Taxation, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor shall file with the Legislative Council a final written report of their activities, findings, and recommendations, and the study shall be complete upon that submission."

AND

Appropriately renumber the sections of the bill

The Amendment was read _____

By: Representative L. Johnson

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Chief Clerk