

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019

A Bill

HOUSE BILL 1787

4
5 By: Representative L. Johnson
6

For An Act To Be Entitled

8 AN ACT TO REGULATE THE SALE AND TAXATION OF TOBACCO
9 PRODUCTS, E-LIQUID PRODUCTS, AND VAPOR PRODUCTS; TO
10 AMEND THE ARKANSAS TOBACCO PRODUCTS TAX ACT OF 1977;
11 TO CREATE A TAX ON E-LIQUID PRODUCTS AND VAPOR
12 PRODUCTS; AND FOR OTHER PURPOSES.
13

Subtitle

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16 REGULATE THE SALE AND TAXATION OF TOBACCO
17 PRODUCTS, E-LIQUID PRODUCTS, AND VAPOR
18 PRODUCTS; TO AMEND THE ARKANSAS TOBACCO
19 PRODUCTS TAX ACT OF 1977; AND TO CREATE A
20 TAX ON E-LIQUID PRODUCTS AND VAPOR
21 PRODUCTS.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. Arkansas Code § 26-57-259(a), concerning nonpreemption
27 under the Arkansas Tobacco Products Tax Act of 1977, is amended to read as
28 follows:

29 (a)(1) This ~~act~~ subchapter and the rules and other actions of the
30 Arkansas Tobacco Control Board shall not be construed or interpreted so as to
31 preempt or in any other manner qualify or limit the enactment and enforcement
32 of any federal, or state, ~~county, municipal, or other local~~ regulation of the
33 manufacture, sale, storage, or distribution of tobacco products that is more
34 restrictive than this ~~act~~ subchapter or the rules and regulations promulgated
35 by the board.

36 (2)(A) This subchapter and the rules and other actions of the



1 board shall preempt the enactment and enforcement of any county, municipal,
 2 or other local regulation of the manufacture, sale, storage, or distribution
 3 of tobacco products that is more restrictive than this subchapter or the
 4 rules promulgated by the board.

5 (B) A county, municipal, or other local regulation of the
 6 manufacture, sale, storage, or distribution of tobacco products that is more
 7 restrictive than this subchapter or the rules promulgated by the board and
 8 that has been enacted as of the effective date of this act is not preempted
 9 under this subdivision (a)(2).

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 11 SECTION 2. Arkansas Code Title 26, Chapter 57, is amended to add an
 12 additional subchapter to read as follows:

13 Subchapter 16 – E-Cigarette Excise Tax Act

14
 15 26-57-1601. Title.

16 This subchapter shall be known and may be cited as the "E-Cigarette
 17 Excise Tax Act".

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 19 26-57-1602. Definition.

20 As used in this subchapter, "vapor product" and "e-liquid product" mean
 21 the same as those terms are defined in § 26-57-203.

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 23 26-57-1603. Excise tax.

24 There is levied an excise tax of thirty percent (30%) of the invoice
 25 price, before discounts, on the following products sold in this state:

26 (1) An e-liquid product; and

27 (2)(A) A vapor product when the vapor product is sold as part of
 28 a bundled transaction with an e-liquid product.

29 (B) As used in this section, "bundled transaction" means
 30 the sale of two (2) or more products, including at least one (1) e-liquid
 31 product and at least one (1) vapor product, in which:

32 (i) The products are otherwise distinct and
 33 identifiable; and

34 (ii) The products are sold for one (1) nonitemized
 35 price.

1 26-57-1604. Imposition, reporting, remittance, and administration of
2 excise tax.

3 Except as otherwise provided in this subchapter, the excise tax levied
4 under § 26-57-1603 shall be imposed, reported, remitted, and administered in
5 the same manner and at the same time as taxes on tobacco products under the
6 Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq.

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8 26-57-1605. Invoices.

9 The excise tax levied under § 26-57-1603 shall be separately stated and
10 identified on each invoice or statement as the "E-Cigarette Excise Tax".

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12 26-57-1606. Distribution of revenues.

13 The revenues collected under this subchapter shall be general revenues
14 and shall be credited to the General Revenue Fund Account of the State
15 Apportionment Fund.

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17 26-57-1607. Applicability.

18 The excise tax levied under § 26-57-1603 applies to inventory and
19 stocks of e-liquid products and vapor products purchased by a wholesaler or
20 retailer on or after the effective date of this subchapter.

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22 26-57-1608. Rules.

23 The Director of the Department of Finance and Administration, the
24 Director of Arkansas Tobacco Control, and the Arkansas Tobacco Control Board
25 shall adopt rules necessary to implement and allow for the enforcement of
26 this subchapter.

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28 SECTION 3. DO NOT CODIFY. Rules.

29 (a) When adopting the initial rules required under this act, the
30 Director of the Department of Finance and Administration, the Director of
31 Arkansas Tobacco Control, and the Arkansas Tobacco Control Board shall file
32 the final rules with the Secretary of State for adoption under § 25-15-
33 204(f):

34 (1) On or before September 1, 2019; or

35 (2) If approval under § 10-3-309 has not occurred by September
36 1, 2019, as soon as practicable after approval under § 10-3-309.

1 (b) The Director of the Department of Finance and Administration, the
2 Director of Arkansas Tobacco Control, and the Arkansas Tobacco Control Board
3 shall file the proposed rules with the Legislative Council under § 10-3-
4 309(c) sufficiently in advance of September 1, 2019, so that the Legislative
5 Council may consider the rules for approval before September 1, 2019.

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7 SECTION 4. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
8 on the first day of the second calendar month following the effective date of
9 this act.

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