

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

SENATE BILL 347

5 By: Senators Bond, Elliott
6 By: Representatives McCullough, D. Garner
7

For An Act To Be Entitled

9 AN ACT TO IMPOSE A PRIVILEGE TAX ON E-CIGARETTES; TO
10 DESIGNATE THE REVENUES DERIVED FROM THE PRIVILEGE TAX
11 ON E-CIGARETTES TO BE USED BY THE UNIVERSITY OF
12 ARKANSAS FOR MEDICAL SCIENCES; TO PROVIDE FUNDING FOR
13 THE UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES TO
14 ACHIEVE AND MAINTAIN DESIGNATION AS A NATIONAL CANCER
15 INSTITUTE-DESIGNATED CANCER CENTER; AND FOR OTHER
16 PURPOSES.

Subtitle

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20 TO IMPOSE A PRIVILEGE TAX ON E-
21 CIGARETTES; AND TO DESIGNATE THE REVENUES
22 DERIVED FROM THE TAX ON E-CIGARETTES TO
23 BE USED BY THE UNIVERSITY OF ARKANSAS FOR
24 MEDICAL SCIENCES.

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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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29 SECTION 1. Arkansas Code Title 26, Chapter 57, is amended to add an
30 additional subchapter to read as follows:
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Subchapter 16 – E-Cigarette Privilege Tax

26-57-1601. Definition.

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35 As used in this subchapter, "e-cigarette" means a vapor product or an
36 e-liquid product, as those terms are defined in § 26-57-203.



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2 26-57-1602. Privilege tax.

3 There is levied a privilege tax on e-cigarettes sold in this state that
4 is equal to the total tax levied on tobacco products, as defined in § 26-57-
5 203, other than cigarettes.

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7 26-57-1603. Imposition, reporting, remittance, and administration of
8 privilege tax.

9 Except as otherwise provided in this subchapter, the privilege tax
10 levied under § 26-57-1602 shall be imposed, reported, remitted, and
11 administered in the same manner and at the same time as taxes on tobacco
12 products under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et
13 seq.

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15 26-57-1604. Invoices.

16 The privilege tax levied under § 26-57-1602 shall be separately stated
17 and identified on each invoice or statement as the "E-cigarette Privilege
18 Tax".

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20 26-57-1605. Distribution of revenues.

21 The revenues collected under this subchapter shall be distributed as
22 follows:

23 (1) The first ten million dollars (\$10,000,000) shall be
24 credited to the University of Arkansas for Medical Sciences National Cancer
25 Institute Designation Trust Fund; and

26 (2) Any remaining revenues shall be credited to the operating
27 cash fund for the University of Arkansas for Medical Sciences.

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29 26-57-1606. Applicability.

30 The privilege tax levied under § 26-57-1602 applies to inventory and
31 stocks of e-cigarettes held by a wholesaler or retailer on and after the
32 effective date of this subchapter.

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34 26-57-1607. Rules.

35 The Director of the Department of Finance and Administration, the
36 Director of Arkansas Tobacco Control, and the Arkansas Tobacco Control Board

1 shall adopt rules necessary to implement and allow for the enforcement of
2 this subchapter.

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4 SECTION 2. DO NOT CODIFY. Rules.

5 (a) When adopting the initial rules required under this act, the final
6 rules shall be filed with the Secretary of State for adoption under § 25-15-
7 204(f):

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

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

11 (b) The Director of the Department of Finance and Administration, the
12 Director of Arkansas Tobacco Control, and the Arkansas Tobacco Control Board
13 shall file the proposed rules with the Legislative Council under § 10-3-
14 309(c) sufficiently in advance of September 1, 2019, so that the Legislative
15 Council may consider the rules for approval before September 1, 2019.

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17 SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective on the
18 first day of the second calendar month following the effective date of this
19 act.