

As Engrossed: 12/17/92

1 **State of Arkansas**
2 **78th General Assembly**
3 **Second Extraordinary Session, 1992**
4 **By: Representatives M. Wilson & Maddox**

CALL ITEM #2
A Bill ACT 2 OF 1992
HOUSE BILL 1004

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7 **For An Act To Be Entitled**

8 *"AN ACT TO LEVY AN ADDITIONAL EXCISE TAX OF TWELVE AND*
9 *ONE-HALF CENTS (\$0.125) PER PACK OF CIGARETTES; UNTIL JUNE*
10 *30, 1993, AND NINE AND ONE-HALF CENTS (0.095) THEREAFTER;*
11 *TO LEVY AN ADDITIONAL EXCISE TAX UPON THE FIRST SALE OF*
12 *TOBACCO PRODUCTS; AND FOR OTHER PURPOSES."*

13 **Subtitle**

14 *"AN ACT TO LEVY ADDITIONAL TAXES UPON TOBACCO PRODUCTS AND*
15 *CIGARETTES."*

16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18 *SECTION 1. (a) In addition to the excise or privilege taxes levied under*
19 *Ark. Code Ann. Sections 26-57-208 and 26-57-802, for the months of February,*
20 *March, April, May and June of 1993 there is hereby levied a tax of six dollars*
21 *and twenty-five cents (\$6.25) per one thousand (1000) cigarettes sold in the*
22 *state, and for all months beginning on or after July 1, 1993, there is hereby*
23 *levied a tax of four dollars and seventy-five cents (\$4.75) per one thousand*
24 *(1000) cigarettes sold in the state.*

25 *(b) Whenever there are two (2) adjoining cities each with a population of*
26 *five thousand (5,000) or more separated by a state line, the tax on cigarettes*
27 *sold in such adjoining Arkansas city shall be at the rate imposed by law on*
28 *cigarettes sold in the adjoining city outside of Arkansas plus fifty cents*
29 *(\$0.50) per one thousand (1000) cigarettes presently imposed by Ark. Code Ann.*
30 *§26-57-802. The tax shall not exceed the tax upon cigarettes imposed by this*
31 *subchapter.*

32 *(c) The tax on cigarettes sold in Arkansas within three hundred feet*
33 *(300') of a state line or in any Arkansas city which adjoins a state line*
34 *shall be at the rate imposed by law on cigarettes sold in the adjoining state*
35 *plus fifty cents (\$0.50) per one thousand (1000) cigarettes presently imposed*
36 *by Ark. Code Ann. §26-57-802. The tax shall not exceed the tax upon*

1 cigarettes imposed by this subchapter.

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3 SECTION 2. In addition to the tax imposed by Ark. Code Ann. §26-57-
4 208(2), for the months of February, March, April, May and June, 1993 there is
5 hereby imposed an additional excise or privilege tax on tobacco products,
6 other than cigarettes, on the first sale to wholesalers or retailers within
7 the state at nine percent (9%) of the manufacturer's selling price, and for
8 all months beginning on or after July 1, 1993 there is hereby levied an
9 additional excise or privilege tax on tobacco products at seven percent (7%)
10 of the manufacturer's selling price. The tax shall be computed on the actual
11 manufacturer invoice price before discounts and deals and shall be paid by the
12 wholesaler, or by the retailer if he purchases directly from the manufacturer.

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14 SECTION 3. All provisions of this act of a general and permanent nature
15 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
16 Revision Commission shall incorporate the same in the Code.

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18 SECTION 4. If any provision of this act or the application thereof to any
19 person or circumstance is held invalid, such invalidity shall not affect other
20 provisions or applications of the act which can be given effect without the
21 invalid provision or application, and to this end the provisions of this act
22 are declared to be severable.

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24 SECTION 5. The taxes levied by this act shall not apply to the sale of
25 cigarettes and tobacco products which are in a wholesaler's warehouse
26 inventory on January 1, 1993.

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28 SECTION 6. All laws and parts of laws in conflict with this act are
29 hereby repealed.

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31 SECTION 7. EMERGENCY. It is hereby found and determined that the State
32 of Arkansas is lacking adequate funds to provide for the healthcare of its
33 citizens covered by Medicaid; that increased funds must be raised to
34 adequately provide for those needs; and that this act is designed to provide
35 the necessary revenues to the state sufficient to meet these needs.
36 Therefore, an emergency is declared to exist and this act, being necessary for

1 *the immediate preservation of the public peace, health and safety, shall be in*
2 *full force and effective on and after February 1, 1993.*

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/s/M. Wilson and Maddox