

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Representative Hawkins**

A Bill

ACT 495 OF 1993
HOUSE BILL 1174

For An Act To Be Entitled

"AN ACT TO AMEND VARIOUS SECTIONS OF THE ARKANSAS TOBACCO PRODUCTS TAX ACT; AND FOR OTHER PURPOSES."

Subtitle

"TO AMEND THE ARKANSAS TOBACCO PRODUCTS TAX ACT."

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

SECTION 1. Arkansas Code 26-57-211 is amended to read as follows:

"26-57-211. Wholesaler to pay taxes - Reports and remittance of tax.

(a) Every wholesaler or a retailer if he purchases tobacco products direct from the manufacturer shall pay the taxes levied by this subchapter.

(b)(1) On or before the fifteenth day of each month, every wholesaler shall file a report for the previous month's tax collections with the director.

(2) The report shall provide the information prescribed by the director.

(c)(1) When the report is filed, the wholesaler shall remit the full amount of the tax due for the previous month to the director.

(2) No discount shall be allowed for an early or on-time remittance of the tax.

(3) In the event the payment of any tax due becomes delinquent, the taxpayer shall remit the full amount of the tax due plus penalty.

(d)(1) The director may add a penalty of ten percent (10%) of the tax due to the tax due for the failure to file a report or for the failure to remit the taxes at the time required, or for both.

(2) In the event the director determines there has been an attempt to evade the tax, a penalty of not more than fifty percent (50%) of the tax due shall be added to the tax due.

1 (e) In computing the amount of tax due under the Arkansas Tobacco
2 Products Tax Act, A.C.A. § 26-57-201 et seq. and any act supplemental thereto,
3 a wholesaler may deduct the cost of cigarette tax stamps and tobacco taxes
4 lost through bad debts. Any deduction taken or refund paid attributable to
5 bad debts shall not include interest.

6 (1) For purposes of this section, bad debt means any cigarette or
7 tobacco tax which the wholesaler legally claims as a bad debt deduction for
8 federal income tax purposes.

9 (2) Bad debts include, but are not limited to, worthless checks,
10 worthless credit card payments, and uncollectible credit accounts.

11 (3) Bad debts do not include financing charges or interest,
12 uncollectible amounts on property that remain in the possession of the
13 taxpayer or vendor until the full purchase price is paid, expenses incurred in
14 attempting to collect any debt, debts sold or assigned to third parties for
15 collection, and repossessed property.

16 (4) Bad debts incurred for sales made prior to the effective date of
17 this act shall not be deducted.

18 (5) Bad debts must be deducted within three (3) years of the date of
19 the sale for which the debt was incurred.

20 (6) If a deduction is taken for a bad debt and the taxpayer
21 subsequently collects the debt in whole or in part, the tax on the amount so
22 collected shall be paid and reported on the next return due after the
23 collection."
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25 SECTION 2. All provisions of this act of a general and permanent nature
26 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
27 Revision Commission shall incorporate the same in the Code.
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29 SECTION 3. If any provision of this act or the application thereof to
30 any person or circumstance is held invalid, such invalidity shall not affect
31 other provisions or applications of the act which can be given effect without
32 the invalid provision or application, and to this end the provisions of this
33 act are declared to be severable.
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35 SECTION 4. All laws and parts of laws in conflict with this act are

1 hereby repealed.

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/s/Bruce Hawkins

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APPROVED: 03/15/93

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As Engrossed: 2/10/93 2/16/93

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