

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4
5 By: Representative Lea
6 By: Senator D. Sanders
7

A Bill

HOUSE BILL 1531

For An Act To Be Entitled

9 AN ACT TO ENSURE THE LONG-TERM FUNDING OF CERTAIN
10 HEALTH CARE PROGRAMS BY ENCOURAGING IN-STATE
11 PURCHASES OF CERTAIN TOBACCO PRODUCTS; AND FOR OTHER
12 PURPOSES.

Subtitle

16 TO ENSURE THE LONG-TERM FUNDING OF
17 CERTAIN HEALTH CARE PROGRAMS BY
18 ENCOURAGING IN-STATE PURCHASES OF CERTAIN
19 TOBACCO PRODUCTS.

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

24 SECTION 1. Arkansas Code § 26-57-208(2), concerning the levy of a tax
25 on tobacco products, is amended to read as follows:

26 (2)(A)(i) The excise or privilege tax on tobacco products other
27 than cigarettes on the sale by wholesalers to retailers, or by licensed
28 retailers to the Director of the Department of Finance and Administration
29 within the state is sixteen percent (16%) of the manufacturer's selling
30 price.

31 (ii) However, the excise or privilege tax levied
32 under subdivision (2)(A)(i) of this section is subject to the limitation
33 stated in subdivision (2)(C) of this section.

34 (B) The tax shall be computed on the actual manufacturer's
35 invoice price before discounts,.

36 (C)(i) The total amount of the excise or privilege taxes



1 levied under §§ 26-57-208, 26-57-803, 26-57-805, and 26-57-807 on cigars
 2 shall not exceed fifty cents (50¢) per cigar.

3 (ii) If the total amount of the excise or privilege
 4 taxes levied under §§ 26-57-208, 26-57-803, 26-57-805, and 26-57-807 on
 5 cigars would exceed fifty cents (50¢) per cigar, the excise or privilege tax
 6 rates under §§ 26-57-208, 26-57-803, 26-57-805, and 26-57-807 shall be
 7 reduced proportionally.

8 (iii) The director shall adopt rules to implement
 9 this subdivision (2)(C);

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 11 SECTION 2. Arkansas Code § 26-57-803(b), concerning the levy of an
 12 additional tax on other tobacco products, is amended to read as follows:

13 (b)(1) In addition to the tax imposed by § 26-57-208(2), there is
 14 levied an additional excise or privilege tax on the sale of tobacco products
 15 other than cigarettes by wholesalers to retailers or by licensed retailers to
 16 the Director of the Department of Finance and Administration at seven percent
 17 (7%) of the manufacturer's selling price. The tax shall be computed before
 18 discounts.

19 (2) However, the excise or privilege tax levied under
 20 subdivision (b)(1) of this section is subject to the limitation stated in §
 21 26-57-208(2)(C).

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 23 SECTION 3. Arkansas Code § 26-57-805(a)(1), concerning the levy of an
 24 additional tax on other tobacco products, is amended to read as follows:

25 (a)(1)(A) In addition to the excise or privilege taxes levied under §§
 26 26-57-208, 26-57-803, and 26-57-1102, there is levied an additional tax on
 27 tobacco products other than cigarettes on the first sale to wholesalers or
 28 retailers within the state at seven percent (7%) of the manufacturer's
 29 selling price.

30 (B) However, the excise or privilege tax levied under
 31 subdivision (a)(1)(A) of this section is subject to the limitation stated in
 32 § 26-57-208(2)(C).

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 34 SECTION 4. Arkansas Code § 26-57-807(a)(1), concerning the levy of an
 35 additional tax on other tobacco products, is amended to read as follows:

36 (a)(1)(A) In addition to the excise or privilege taxes levied under §§

1 26-57-208, 26-57-803, 26-57-805, and 26-57-1102, there is levied an
 2 additional tax on tobacco products other than cigarettes on the first sale to
 3 wholesalers or retailers within the state at thirty-six percent (36%) of the
 4 manufacturer's selling price.

5 (B) However, the excise or privilege tax levied under
 6 subdivision (a)(1)(A) of this section is subject to the limitation stated in
 7 § 26-57-208(2)(C).

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 9 SECTION 5. EFFECTIVE DATE. Sections 1 through 4 of this act are
 10 effective on the first day of the second calendar month following the
 11 effective date of this act.

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