

ARKANSAS SENATE
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of Senate Bill No. 397

"TO AMEND VARIOUS LAWS CONCERNING THE EXCISE TAX ON TOBACCO
PRODUCTS."

Amendment No. 2 to Senate Bill No. 397.

Amend Senate Bill No. 397 as engrossed, S2/15/01:

Add additional sections immediately following Section 3 to read as follows:

"SECTION 4. Arkansas Code 26-57-208(2) is amended to read as follows:

(2)(A) The Beginning July 1, 2009, the excise or privilege tax on tobacco products other than cigarettes on the sale by wholesalers to retailers, or by licensed retailers to the Director of the Department of Finance and Administration within the state is sixteen percent (16%) of the manufacturer's selling price.

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

SECTION 5. Arkansas Code 26-57-803(b) is amended to read as follows:

(b) ~~From Beginning July 1, 2009, in addition to the tax imposed by § 26-57-208(2), for the months of February, March, April, May, and June 1993,~~ there is hereby imposed an additional excise or privilege tax on the sale of tobacco products other than cigarettes by wholesalers to retailers or by licensed retailers to the Director of the Department of Finance and Administration at ~~nine percent (9%)~~ seven percent (7%) of the manufacturer's selling price, ~~and for all months beginning on or after July 1, 1993, there is hereby levied an additional excise or privilege tax on tobacco products at seven percent (7%) of the manufacturer's selling price.~~ The tax shall be computed before discounts.

SECTION 6. EFFECTIVE DATES. The provisions of Section 1 shall be effective on and after July 1, 2001. The provisions of Section 2 and 3 shall be effective on July 1, 2001 and shall expire on June 30, 2009. The provisions of Sections 4 and 5 shall be effective on and after July 1, 2009.

SECTION 7. EMERGENCY. It is found and determined by the General Assembly of the State of Arkansas that the current method of computing excise or privilege tax on certain tobacco products creates an inequity in the tax burden on wholesalers and retailers of tobacco products; that by levying the tax on certain tobacco products based on the weight of the product, the

inequity is relieved; that this act is necessary to create tax equality for tobacco product sellers; and that in order to properly administer the provisions of this act, the Department of Finance and Administration must provide adequate notice to affected taxpayers. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on July 1, 2001."

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator K. Smith
LH/RRS - 031420011537
RRS683

Secretary