

Hall of the House of Representatives

93rd General Assembly - Regular Session, 2021

Amendment Form

Subtitle of House Bill No. 1546

TO PHASE OUT THE SOFT DRINK TAX; AND TO PROVIDE FOR ADDITIONAL AMOUNTS TO BE DISTRIBUTED TO OFFSET THE REVENUE REDUCTION RESULTING FROM THE PHASEOUT OF THE SOFT DRINK TAX.

Amendment No. 2 to House Bill 1546

Amend House Bill No. 1546 as engrossed H3/23/21 (version: 03/23/2021 9:46:56 AM):

Delete everything after the enacting clause, and substitute the following:

"SECTION 1. Arkansas Code § 26-57-904(a), concerning the tax rate under the Arkansas Soft Drink Tax Act, is amended to read as follows:

(a) There is hereby levied and there shall be collected a tax upon every distributor, manufacturer, or wholesale dealer, to be calculated as follows:

(1) ~~One dollar and twenty-six cents (\$1.26) per gallon for~~ For each gallon of soft drink syrup or simple syrup sold or offered for sale in the State of Arkansas:

(A) One dollar and twenty-six cents (\$1.26) per gallon;

(B) Beginning the later of July 1, 2023, or July 1 of the calendar year following the fiscal year in which the general revenue portion of the total collections under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., equals or exceeds two billion six hundred eighty-one million dollars (\$2,681,000,000), ninety-four and five-tenths cents (94.5¢) per gallon; and

(C) Beginning the later of July 1 of the calendar year following the tax rate reduction under subdivision (a)(1)(B) of this section or July 1 of the calendar year beginning after the fiscal year in which the general revenue portion of the total collections under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., equals or exceeds two billion seven hundred fifty-four million dollars (\$2,754,000,000), forty-seven and three-tenths cents (47.3¢) per gallon;

(2) ~~Twenty and six tenths cents (20.6¢) per gallon for~~ For each gallon of bottled soft drinks sold or offered for sale in the State of Arkansas:

(A) Twenty and six-tenths cents (20.6¢) per gallon;

(B) Beginning the later of July 1, 2023, or July 1 of the calendar year following the fiscal year in which the general revenue portion



of the total collections under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., equals or exceeds two billion six hundred eighty-one million dollars (\$2,681,000,000), fifteen and five-tenths cents (15.5¢) per gallon; and

(C) Beginning the later of July 1 of the calendar year following the tax rate reduction under subdivision (a)(2)(B) of this section or July 1 of the calendar year beginning after the fiscal year in which the general revenue portion of the total collections under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., equals or exceeds two billion seven hundred fifty-four million dollars (\$2,754,000,000), seven and seven-tenths cents (7.7¢) per gallon; and

(3)(A) When a package or container of powder or other base product, other than a syrup or simple syrup, is sold or offered for sale in Arkansas, and the powder is for the purpose of producing a liquid soft drink, then the tax on the sale of each package or container shall be equal to ~~twenty and six-tenths cents (20.6¢)~~ the following tax for each gallon of soft drink ~~which that~~ may be produced from each package or container by following the manufacturer's directions:

(i) Twenty and six-tenths cents (20.6¢);

(ii) Beginning the later of July 1, 2023, or July 1 of the calendar year following the fiscal year in which the general revenue portion of the total collections under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., equals or exceeds two billion six hundred eighty-one million dollars (\$2,681,000,000), fifteen and five-tenths cents (15.5¢); and

(iii) Beginning the later of July 1 of the calendar year following the tax rate reduction under subdivision (a)(3)(A)(ii) of this section or July 1 of the calendar year beginning after the fiscal year in which the general revenue portion of the total collections under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., equals or exceeds two billion seven hundred fifty-four million dollars (\$2,754,000,000), seven and seven-tenths cents (7.7¢).

(B) This tax applies when the sale of the powder or other base is sold to a retailer for sale to the ultimate consumer after the liquid soft drink is produced by the retailer.

SECTION 2. Arkansas Code Title 26, Chapter 57, Subchapter 9, is amended to add an additional section to read as follows:

26-57-910. Sunset.

This subchapter expires on the later of July 1 of the calendar year following the tax rate reductions under § 26-57-904(a)(1)(C), § 26-57-904(a)(2)(C), and § 26-57-904(a)(3)(A)(iii) or July 1 of the calendar year beginning after the fiscal year in which the general revenue portion of collections under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., equals or exceeds two billion eight hundred thirty million dollars (\$2,830,000,000).

SECTION 3. Arkansas Code § 19-5-402(a), concerning the maximum allocations of revenues for fiscal year 2020-2021 and thereafter, is amended to add an additional subdivision to read as follows:

(3)(A) The following amounts shall be included and added to the amount distributed in subdivisions (a)(1) and (2) of this section and distributed by the Treasurer of State in monthly amounts to the Arkansas Medicaid Program Trust Fund under § 19-5-985:

(i) For the fiscal year beginning July 1 in which the first soft drink tax rate reduction occurs under § 26-57-904(a)(1)(B), § 26-57-904(a)(2)(B), and § 26-57-904(a)(3)(A)(ii), nine million thirty-eight thousand dollars (\$9,038,000);

(ii) For fiscal years beginning on and after July 1 following the fiscal year in which the first soft drink tax rate reduction occurs under § 26-57-904(a)(1)(B), § 26-57-904(a)(2)(B), and § 26-57-904(a)(3)(A)(ii) and until July 1 of the fiscal year in which the second soft drink tax rate reduction occurs under § 26-57-904(a)(1)(C), § 26-57-904(a)(2)(C), and § 26-57-904(a)(3)(A)(iii), nine million eight hundred fifty-nine thousand dollars (\$9,859,000);

(iii) For the fiscal year beginning July 1 in which the second soft drink tax rate reduction occurs under § 26-57-904(a)(1)(C), § 26-57-904(a)(2)(C), and § 26-57-904(a)(3)(A)(iii), twenty-three million four hundred sixteen thousand dollars (\$23,416,000);

(iv) For fiscal years beginning on and after July 1 following the fiscal year in which the second soft drink tax rate reduction occurs under § 26-57-904(a)(1)(C), § 26-57-904(a)(2)(C), and § 26-57-904(a)(3)(A)(iii) and until July 1 of the fiscal year in which the soft drink tax expires under § 26-57-910, twenty-four million six hundred forty-nine thousand dollars (\$24,649,000);

(v) For the fiscal year beginning July 1 in which the soft drink tax expires under § 26-57-910, thirty-eight million two hundred six thousand dollars (\$38,206,000); and

(vi) For fiscal years beginning on and after July 1 following the fiscal year in which the Arkansas Soft Drink Tax Act, § 26-57-901 et seq., expires under § 26-57-910, thirty-nine million four hundred thirty-eight thousand dollars (\$39,438,000).

(B) The amounts allocated in subdivision (a)(3)(A) of this section or so much of the amounts allocated in subdivision (a)(3)(A) of this

section as is available shall be distributed by the Treasurer of State in monthly amounts with each allocation's proportion of the total of subdivisions (a)(1) and (2) of this section and this subdivision (a)(3) to supplement the Arkansas Medicaid Program Trust Fund.

SECTION 4. Arkansas Code § 19-5-985(b)(1)(E), concerning the funds in the Arkansas Medicaid Program Trust Fund, is amended to read as follows:

(E) The ~~amount~~ amounts provided for in § 19-5-402~~(a)(3)~~;
and"

The Amendment was read _____

By: Representative L. Fite

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Chief Clerk