

Department of Finance and Administration

Legislative Impact Statement

Bill: SB1080

As Engrossed: 4/5/2013

Bill Subtitle: TO CREATE A TASK FORCE TO STUDY THE TAXATION OF NONALCOHOLIC BEVERAGES.

Basic Change :

Senator Files

Engrossment 04/05/13 --- Senate Amendment 2 --- Amends the bill to provide that the Chancellor of the University of Arkansas for Medical Sciences or his or her designee will be a member of the Task Force.

Engrossment 04/04/13 --- Senate Amendment No. 1 --- The proposal would create the "Legislative Task Force on the Taxation of Nonalcoholic Beverages". The Task Force membership shall be composed of:

- (1) Five (5) members appointed by the President Pro Tempore of the Senate as follows:
 - (A) Two (2) members of the Senate, one of whom shall be appointed to serve as co-chair of the task force;
 - (B) One (1) representative of a retail chain operating in the state;
 - (C) One (1) owner or operator of a fast food restaurant located in the state; and
 - (D) One (1) owner or operator of a full-service restaurant located in the state;
- (2) Five (5) members appointed by the Speaker of the House of Representatives as follows:
 - (A) Two (2) members of the House of Representatives, one of whom shall be appointed to serve as co-chair of the task force;
 - (B) One (1) wholesaler actively engaged in the soft drink industry in the state;
 - (C) One (1) owner or operator of a fast food restaurant located in the state; and
 - (D) One (1) owner or operator of a full-service restaurant located in the state; and
- (3) The Executive Director of the Arkansas Hospitality Association.

The duties of the task force are to perform a detailed and comprehensive study of the wholesale taxes imposed on nonalcoholic beverages in the state, including the taxes levied under the Arkansas Soft Drink Tax Act; seek input and gather information from appropriate sources; and to report the written findings and recommendations to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives on or before September 1, 2014.

Revenue Impact :

None

Taxpayer Impact :

None

Resources Required :

None

Time Required :

None

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Procedural Changes :

None

Legal Analysis :

Amendment No. 2 added the Chancellor of the University of Arkansas for Medical Sciences or his or her designee to the task force.

SB 1080, as engrossed 4/5/13, creates a legislative task force to study the taxation of nonalcoholic beverages. The duties of the task force are to perform a detailed and comprehensive study of the wholesale taxes imposed on nonalcoholic beverages in Arkansas, including the taxes levied under the Arkansas Soft Drink Tax Act, and report the written findings and recommendations to the Governor, the President Pro Tempore of the Senate, and the Speaker of the House on or before September 1, 2014.

The task force is comprised of 12 members: 5 members appointed by the President Pro Tempore (to include 2 members of the Senate, one of whom will be appointed as co-chair, 1 representative of a retail chain operating in Arkansas, 1 owner or operator of a fast food restaurant located in Arkansas, and 1 owner or operator of a full-service restaurant located in Arkansas) and 5 members appointed by the Speaker of the House (to include 2 members of the House, one of whom will be appointed as co-chair, 1 wholesaler actively engaged in the soft drink industry in Arkansas, 1 owner or operator of a fast food restaurant located in Arkansas, and 1 owner or operator of a full-service restaurant located in Arkansas), the Executive Director of the Arkansas Hospitality Association, and the Chancellor of the University of Arkansas for Medical Sciences.

The bill includes provisions for filling vacancies and authorizes staff support from the Bureau of Legislative Research. Meetings are to be called by the co-chairs and take place within the state, and expense reimbursement is allowed for legislative members of the task force. The task force expires on January 1, 2015.