

State of Arkansas  
76th General Assembly  
Regular Session, 1987  
By: Representative Wilkins

HOUSE BILL 1414

"AN ACT TO AMEND SUBSECTION (b) OF SECTION 7 OF ACT 546 OF 1977 AS AMENDED, [ARK. STATS. 84-4507(b)] TO INCREASE THE EXCISE TAX ON TOBACCO PRODUCTS OTHER THAN CIGARETTES FROM SIXTEEN PERCENT OF THE MANUFACTURER'S SELLING PRICE TO THIRTY PERCENT OF THE MANUFACTURER'S SELLING PRICE; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection (b) of Section 7 of Act 546 of 1977 as amended, the same being Arkansas Statutes 84-4507(b), is hereby amended to read as follows:

"(b) The excise or privilege tax on tobacco products, other than cigarettes, on the first sale to wholesalers or retailers within the State is thirty percent (30%) of the manufacturer's selling price. The tax shall be computed on the actual manufacturer invoice price before discounts and deals, and shall be paid by the wholesaler, or by the retailer if he purchases direct from the manufacturer."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY. It is hereby found and determined by the General Assembly that the use of tobacco products, especially smokeless tobacco, has increased significantly in recent years; that a high percentage of users of smokeless tobacco in the State are minors; that scientific evidence now indicates that the use of smokeless tobacco products causes cancer and leads to addiction or dependence; that the current tax on tobacco products other than cigarettes and snuff is sixteen percent of the wholesale price while the tax

on cigarettes amounts to approximately thirty percent of the wholesale price; that this Act is designed to increase the tax on tobacco products other than cigarettes to a level approximately the same as the tax levied on cigarettes and to thereby discourage use of such tobacco products especially by minors and to produce much needed additional revenues for support of essential State government programs, and should be given effect immediately. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

