

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

437

By: Senator Canada

For An Act To Be Entitled

"AN ACT TO INCREASE THE STATE CIGARETTE TAX TO \$11.50 PER THOUSAND; TO LEVY A COUNTY/CITY CIGARETTE TAX OF \$1.00 PER THOUSAND; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code 26-57-208(1) is hereby amended to read as follows:

"(1) The excise or privilege tax on cigarettes sold in this state is eleven dollars fifty cents (\$11.50) per one thousand (1,000) cigarettes sold.

(A) Whenever there are two (2) adjoining cities each with a population of five thousand (5,000) or more separated by a state line, the tax on cigarettes sold in such adjoining Arkansas city shall be at the rate imposed by law on cigarettes sold in the adjoining city outside of Arkansas. The tax shall not exceed the tax upon cigarettes imposed by this subchapter.

(B) The tax on cigarettes sold in Arkansas within three hundred feet (300') of a state line or in any Arkansas city which adjoins a state line shall be at the rate imposed by law on cigarettes sold in the adjoining state. The tax shall not exceed the tax upon cigarettes imposed by this subchapter;"

SECTION 2. There is hereby levied in each county of this State an excise tax of one dollar (\$1.00) per one thousand cigarettes sold within the county. The tax shall be collected by the county treasurer in the same manner as the State cigarette tax is collected by the Director of the Department of Finance and Administration. The cigarette tax collected by the county treasurer shall be remitted by him to each city within the county and to the county on a population basis.

SECTION 3. Each county treasurer shall provide to his county the

cigarette stamps to be used by the county. Each stamp shall be numbered and the name of the county shall be printed thereon. The county treasurer shall sell the cigarette tax stamps in the same manner and to the same persons as the Director of the Department of Finance and Administration.

SECTION 4. The Director of the Department of Finance and Administration shall promulgate regulations patterned after the Arkansas Tobacco Products Tax Act except modified to be applicable to the county/city cigarette tax levied by this Act.

Metered stamps shall not satisfy the requirements of either the stamps required under the Arkansas Tobacco Products Tax Act nor the county/city cigarette tax stamps required by this Act.

SECTION 5. (a) Every cigarette wholesaler doing business in any county of this State shall annually obtain from the county treasurer a license to do business in that county. The annual fee shall be fifty dollars (\$50.00).

(b) Every cigarette salesman doing business in any county of this State shall pay an annual license fee to the county. The annual fee shall be twenty-five dollars (\$25.00).

(c) All revenues derived from the license fees provided by this section shall be distributed by the county treasurer to the cities within the county and to the county on a population basis.

SECTION 6. Every tobacco products wholesaler doing business in this State, and whose main warehouse or headquarters is in another state, shall keep a record of all purchases and sales transactions involving cigarettes, cigars, cigarette papers, snuff and other tobacco products. The record shall be maintained at a facility located in Arkansas. The record shall be accumulated on or before the twentieth day of each month covering the previous calendar month. Any person who fails to maintain records required by this section shall be subject to a one hundred dollar (\$100.00) fine for the first offense, a two hundred fifty dollar (\$250.00) fine for the second offense, a five hundred dollar (\$500.00) fine and ninety (90) day suspension of license for the third offense, and a one thousand dollar (\$1,000.00) fine and permanent revocation of license for fourth and subsequent offenses.

SECTION 7. The Director of the Department of Finance and Administration

may enter into agreements with the proper tax authorities of states bordering Arkansas effecting reciprocal agreements whereby wholesale tobacco products dealers of such states serving a trade area of retail dealers in Arkansas may purchase Arkansas stamps with benefit of discount, provided, however, that in no instance shall the Director agree to a discount greater than that which is extended to Arkansas wholesale tobacco products dealers by the contracting border states, and furthermore, in no instance shall the discount exceed six percent (6%). All purchases of cigars, cigarettes, cigarette papers, smoking tobacco and other tobacco products for distribution within the State of Arkansas by any nonresident tobacco products wholesaler shall be evidenced by a separate invoice from the seller correctly showing the date of purchase and the quantity of each of the articles purchased by the wholesaler for distribution within Arkansas. Such stock purchased for distribution within Arkansas shall be kept in an entirely separate part of the building, separate and apart from stock purchased for sale or distribution in another state. Every nonresident tobacco products wholesaler shall, at the time of shipping or delivering any cigars, cigarettes, cigarette papers, smoking tobaccos or other tobacco into the State of Arkansas, make a true duplicate invoice of the transaction which shall show full and complete details of the sale or delivery of those articles and shall retain the same subject to use and inspection by the taxing authority for a period of three years. Nonresident tobacco wholesalers shall also keep a record of all cigarettes, cigarette papers, cigars, smoking tobaccos and other tobacco products purchased by them for distribution within the State of Arkansas, and all books, records and memoranda pertaining to the purchase and sale of such products shall be subject to inspection by the taxing authority.

SECTION 8. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 9. All laws and parts of laws in conflict with this Act are hereby repealed.