

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: S2/15/01 H3/1/01

A Bill

SENATE BILL 287

5 By: Senators Argue, Gullett, Riggs, Fitch, Cash, Miller, Gwatney, Wilkins, Mahony, P. Malone, Everett,
6 K. Smith, Horn
7
8

For An Act To Be Entitled

10 AN ACT TO CREATE THE ARKANSAS ELDERLY CARE TAX; AND
11 FOR OTHER PURPOSES.
12

Subtitle

14 TO CREATE THE ARKANSAS ELDERLY CARE TAX.
15
16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

19 SECTION 1. (a)(1) Effective July 1, 2001, there is levied an
20 excise or privilege tax on cigarettes, sold by wholesalers to retailers or
21 purchased by licensed retailers directly from the manufacturer, at a rate of
22 six percent (6%) of the manufacturer's invoice price.

23 (2) The tax shall be computed on the actual manufacturer invoice
24 price before discounts.

25 (3) The tax shall be known and cited as the "Arkansas Elderly
26 Care Tax."

27 (b)(1) The tax shall be paid by the wholesaler or retailer who
28 purchased directly from a manufacturer.

29 (2) The tax shall be reported on forms prescribed by the Director
30 of the Department of Finance and Administration.

31 (3) The tax shall be paid at the same time as payment for taxes
32 for tobacco products is required under Arkansas Code 26-57-211.

33 (c)(1) The Arkansas Elderly Care Tax shall be remitted to the Director
34 of the Department of Finance and Administration and shall be deposited in the
35 State Treasury and shall be credited to the Arkansas Elderly Care Trust Fund,
36 which is created on the books of the Treasurer of State, Auditor of State and

1 the Chief Fiscal Officer of the State.

2 (2) The monies in the fund shall be used exclusively for the
3 state match of federal funds participation under the Arkansas Medicaid Program
4 in order to assist nursing facilities licensed pursuant to § 20-10-224.

5
6 SECTION 2. Arkansas Code 26-57-803 is amended to read as follows:

7 26-57-803. Additional tax - Applicability.

8 (a)(1) In addition to the excise or privilege taxes levied under §§ 26-
9 57-208 and 26-57-802, for the months of February, March, April, May, and June
10 of 1993, there is hereby levied a tax of six dollars and twenty-five cents
11 (\$6.25) per one thousand (1,000) cigarettes sold in the state, and for all
12 months beginning on or after July 1, 1993, there is hereby levied a tax of
13 four dollars and seventy-five cents (\$4.75) per one thousand (1,000)
14 cigarettes sold in the state.

15 (2) Whenever there are two (2) adjoining cities, each with a
16 population of five thousand (5,000) or more separated by a state line, the tax
17 on cigarettes sold in such adjoining Arkansas city shall be at the rate
18 imposed by law on cigarettes sold in the adjoining city outside of Arkansas
19 plus the fifty cents (50¢) per one thousand (1,000) cigarettes presently
20 imposed by § 26-57-802. The tax shall not exceed the tax upon cigarettes
21 imposed by this subchapter.

22 (3) The tax on cigarettes sold in Arkansas within three hundred
23 feet (300') of a state line, in any Arkansas city which adjoins a state line,
24 or in any city which is separated only by a navigable river from a city which
25 adjoins a state line shall be at the rate imposed by law on cigarettes sold in
26 the adjoining state plus the twenty-five cents (25¢) per one thousand (1,000)
27 cigarettes presently imposed by § 26-57-802. The tax shall not exceed the tax
28 upon cigarettes imposed by this subchapter.

29 (b) In addition to the tax imposed by § 26-57-208(2), for the months of
30 February, March, April, May, and June 1993, there is hereby imposed an
31 additional excise or privilege tax on the sale of tobacco products other than
32 cigarettes by wholesalers to retailers or by licensed retailers to the
33 Director of the Department of Finance and Administration at nine percent (9%)
34 of the manufacturer's selling price, and for all months beginning on or after
35 July 1, 1993, there is hereby levied an additional excise or privilege tax on
36 tobacco products at seven percent (7%) of the manufacturer's selling price.

1 The tax shall be computed before discounts.

2 (c)(1) Effective July 1, 2001, in addition to the tax imposed by
3 subsection (b), there is hereby levied an additional excise or privilege tax
4 on tobacco products other than cigarettes, sold by wholesalers to retailers or
5 purchased by licensed retailers directly from the manufacturer, at six percent
6 (6%) of the manufacturer's invoice price.

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

9 ~~(e)(d)~~ The taxes levied by this section shall not apply to the sale of
10 cigarettes and tobacco products which are in a wholesaler's warehouse
11 inventory on January 1, 1993.

12 ~~(d)(e)~~(1) The taxes levied by this section shall be reported and paid
13 by wholesalers licensed pursuant to § 26-57-214 of the Arkansas Tobacco
14 Products Tax Act of 1977, provided that retailers shall be liable for
15 reporting and paying these taxes when a retailer purchases tobacco products
16 directly from a manufacturer or from a wholesaler or distributor not licensed
17 pursuant to § 26-57-214 of the Arkansas Tobacco Products Tax Act of 1977.

18 (2)(A) Any taxpayer who fails to report and remit the tobacco tax
19 due on tobacco products purchased from manufacturers, distributors, or
20 wholesalers who are not licensed under § 26-57-214 of the Arkansas Tobacco
21 Products Tax Act of 1977 shall be subject to the following penalties:

22 (i) Five percent (5%) of the total tobacco tax due
23 for the first offense;

24 (ii) Twenty percent (20%) of the total tobacco tax
25 due for the second offense; and

26 (iii) Twenty-five percent (25%) of the total tobacco
27 tax due for the third and any subsequent offenses.

28 (B) In addition, the taxpayer's retail cigarette/tobacco
29 permit shall be revoked for a period of ninety (90) days for the third and any
30 subsequent offenses.

31 (3) The provisions of this subsection shall not affect the
32 provisions of § 26-57-228.

33 (f)(1) The tax collected under subsection (c) shall be remitted to the
34 Director of the Department of Finance and Administration and shall be
35 deposited in the State Treasury and shall be credited to the Arkansas Elderly
36 Care Trust Fund.

