

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

A Bill

SENATE BILL 61

4
5 By: Senator Miller
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For An Act To Be Entitled

9 AN ACT TO PROVIDE THAT BUY DOWNS RECEIVED BY CIGARETTE
10 OR TOBACCO PRODUCT RETAILERS ARE SUBJECT TO ARKANSAS
11 GROSS RECEIPTS TAX; AND FOR OTHER PURPOSES.
12

Subtitle

13 AN ACT TO PROVIDE THAT BUY DOWNS
14 RECEIVED BY CIGARETTE OR TOBACCO PRODUCT
15 RETAILERS ARE SUBJECT TO ARKANSAS GROSS
16 RECEIPTS TAX.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 3 is amended
23 to add an additional section to read as follows:

24 26-52-315. Cigarette or tobacco product buy downs.

25 (a) Cigarette or tobacco product buy downs received by cigarette or
26 tobacco product retailers which result in the reduction of the retail selling
27 price of cigarettes or tobacco products to consumers are subject to the
28 Arkansas Gross Receipts Act of 1941, as amended, beginning at § 26-52-101.

29 (b) "Buy downs" means any consideration, whether in money or otherwise,
30 given to cigarette or tobacco product retailers which results in the reduction
31 of the retail selling price of cigarettes or tobacco products to consumers.

32 (c)(1) The retailer shall collect the gross receipts tax from the
33 consumer on the retail selling price of the cigarettes or tobacco products to
34 the consumer plus the amount the cigarettes or tobacco products were reduced
35 by the buy down.

36 (2) However, in lieu of the requirement in subdivision (c)(1) of

this section, the retailer may deduct the tax from the amount of the buy down received and reduce the selling price of the cigarettes by the remainder of the buy down. If the retailer elects this option, the gross receipt tax shall be collected on the retail selling price to the consumer.

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