

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 858

4
5 By: Senator B. Johnson
6
7

For An Act To Be Entitled

8
9 AN ACT TO AMEND THE ARKANSAS CODE TO PROVIDE THAT
10 FAILURE TO PAY STATE AND LOCAL TAXES SHALL
11 PREVENT THE ISSUANCE OR RENEWAL OF CIGARETTE AND
12 TOBACCO PERMITS; AND FOR OTHER PURPOSES.
13

Subtitle

14
15 AN ACT TO PROVIDE THAT FAILURE TO PAY
16 STATE AND LOCAL TAXES SHALL PREVENT THE
17 ISSUANCE OR RENEWAL OF CIGARETTE AND
18 TOBACCO PERMITS.
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code 26-18-303(b)(12) pertaining to the
24 confidentiality of records is amended to read as follows:

25 (12)(A) Disclosure of the list required by § 3-2-205(e)(4),
26 reporting to the Alcoholic Beverage Control Division and the Alcoholic
27 Beverage Control Board those taxpayers who hold a permit to sell alcoholic
28 beverages and who are delinquent in state taxes;

29 (B) Disclosure of the list required by § 26-57-257(q)(2),
30 reporting to the Arkansas Tobacco Control Board those taxpayers who hold a
31 permit to sell tobacco products and cigarettes and who are delinquent in
32 state taxes;
33

34 SECTION 2. Arkansas Code 26-57-219 pertaining to the issuance of
35 tobacco permits and licenses is amended to add additional subsections to read
36 as follows:

1 (c) Beginning June 1, 2002, no permits or licenses issued hereunder
 2 shall be renewed for a permit or license holder who is delinquent more than
 3 ninety (90) days on any privilege fee, tax relating to the sale or
 4 dispensation of cigarettes or tobacco products, or any other state and local
 5 tax due the Director of the Arkansas Department of Finance and
 6 Administration.

7 (d) A person who is delinquent more than ninety (90) days on any state
 8 or local tax may not renew or obtain a permit or license issued hereunder
 9 except upon certification that the permit or license holder has entered into
 10 a repayment agreement with the Department of Finance and Administration and
 11 the person is current on the payments.

12
 13 SECTION 3. Arkansas Code 26-57-256(a)(4) pertaining to the powers of
 14 the Tobacco Control Board is amended to read as follows:

15 (4)(A) Cooperate with the Revenue Division of the Department of
 16 Finance and Administration in the enforcement of the tax laws affecting the
 17 sale of tobacco products in this state and in the enforcement of all other
 18 state and local tax laws;

19 (B) To facilitate efforts to cooperate with the Revenue
 20 Division of the Department of Finance and Administration concerning the
 21 enforcement of all other state and local tax laws, the board shall
 22 immediately require that the following additional information be provided by
 23 all applicants for permit issuance or renewal:

24 (i) Federal tax identification numbers issued by the
 25 Internal Revenue Service;

26 (ii) Social Security numbers; and

27 (iii) State sales tax account numbers assigned by
 28 the Department of Finance and Administration, if applicable.

29 (C) Beginning January 1, 2002, and each year thereafter,
 30 the Tobacco Control Board shall provide a list of all applicants for the
 31 issuance or renewal of all tobacco permits and licenses to the Director of
 32 the Department of Finance and Administration. This list shall contain the
 33 identifying information required by subdivision (a)(4)(B) above as well as
 34 the name of the permittee and the permittee's current business address.

35
 36 SECTION 4. Arkansas Code 26-57-256(c) pertaining to the powers of the

1 Tobacco Control Board is amended to read as follows:

2 (c) The board shall have no authority in criminal prosecutions or the
3 assessment or collection of any taxes or penalties related to the taxing of
4 tobacco products. However, the board shall refuse to issue, suspend, revoke
5 or refuse renewal of any permit or license issued by the board for the
6 failure to pay taxes or fees imposed on tobacco products or any permit or
7 license fees imposed by this subchapter or any other state and local taxes.

8

9 SECTION 5. Arkansas Code 26-57-257(q) pertaining to the powers of the
10 Director of the Tobacco Control Board is amended to read as follows:

11 (q)(1) The power and duty to collect taxes imposed on tobacco and
12 tobacco products is specifically exempted from the powers and duties granted
13 or assigned to the board or the department. However, a permit or license
14 holder's failure to pay taxes or fees imposed on tobacco products or any
15 permit or license fees imposed by this subchapter in a timely manner is
16 grounds for the nonissuance, suspension, revocation, or nonrenewal of any
17 permits or licenses issued by the board. Failure to timely and fully pay any
18 other state and local taxes, as reported by the Director of the Department of
19 Finance and Administration, shall also constitute grounds for the
20 nonissuance, suspension, revocation, or nonrenewal of any permits or licenses
21 issued by the board.

22 (2) Beginning April 1, 2002, and each year thereafter, the
23 Director of the Department of Finance and Administration shall report to the
24 Tobacco Control Board any and all permit and license holders who are more
25 than ninety (90) days delinquent on any state and local taxes. The Tobacco
26 Control Board shall not issue or renew any permit or license issued hereunder
27 for any permit or license holder more than ninety (90) days delinquent on any
28 privilege fee or tax addressed herein, unless the permittee or licensee
29 demonstrates that they are current under a valid repayment agreement for the
30 delinquent tax.

31 (3) Beginning May 15, 2002, and each year thereafter, the
32 Tobacco Control Board shall send notices to all permit and license holders
33 more than ninety (90) days delinquent on any state and local taxes. This
34 notice shall inform the permit or license holder that they are delinquent on
35 payment of state and local taxes due the Director of the Department of
36 Finance and Administration, and that they will be unable to obtain or renew

the permit or license that they hold until such time as they become current in the payment of the tax due the Director of the Department of Finance and Administration, or until such time as they enter into a valid repayment agreement with the Department of Finance and Administration for the payment of the delinquent tax.

SECTION 6. EMERGENCY CLAUSE. It is found and determined by the General Assembly that lack of compliance with state and local tax laws reduces the available revenues to fund the public schools and other essential state services, and that this act is designed and intended to ensure that adequate funding is available for those programs and to ensure full compliance with the tax laws of this state. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto.

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36