

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 84th General Assembly
3 Regular Session, 2003

A Bill

SENATE BILL 791

4
5 By: Revenue & Tax - Senate
6
7

For An Act To Be Entitled

9 AN ACT TO LEVY AN ADDITIONAL TOBACCO EXCISE TAX
10 ON TOBACCO PRODUCTS, OTHER THAN CIGARETTES, OF
11 ONE PERCENT (1%) OF THE MANUFACTURER'S SELLING
12 PRICE; AND FOR OTHER PURPOSES.
13

Subtitle

14 AN ACT TO LEVY AN ADDITIONAL TOBACCO
15 EXCISE TAX ON TOBACCO PRODUCTS, OTHER
16 THAN CIGARETTES, OF ONE PERCENT (1%) OF
17 THE MANUFACTURER'S SELLING PRICE.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 26, Chapter 57, Subchapter 8 is amended
24 to add an additional section to read as follows:

25 26-57-804.

26 (a)(1) In addition to the excise or privilege taxes levied under §§
27 26-57-208(2), 26-57-803(b) and 26-57-1102(a), there is levied an additional
28 tax on tobacco products, other than cigarettes, on the first sale to
29 wholesalers or retailers within the state at one percent (1%) of the
30 manufacturer's selling price.

31 (2) The tax shall be computed on the actual manufacturer's
32 invoice price before discounts and deals.

33 (b)(1)(A) The taxes levied by this section shall be reported and paid
34 by wholesalers licensed under § 26-57-214.

35 (B) Retailers shall be liable for reporting and paying the
36 taxes when a retailer purchases tobacco products directly from a manufacturer



1 or from a wholesaler or distributor not licensed under § 26-57-214.

2 (2)(A) Any taxpayer who fails to report and remit the tobacco
3 tax due on tobacco products purchased from manufacturers, distributors, or
4 wholesalers who are not licensed under § 26-57-214, shall be subject to the
5 following penalties:

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

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

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

12 (B) In addition, the taxpayer's retail cigarette or
13 tobacco permit shall be revoked for a period of ninety (90) days for the
14 third and any subsequent offenses.

15 (c) The additional tax levied by this section shall become effective
16 July 1, 2003, and shall apply to any inventory or stocks of tobacco products
17 other than cigarettes held by a wholesaler or retailer on that date.

18 (d) The revenues derived from the additional tax imposed by this
19 section shall be credited to the General Revenue Fund Account of the State
20 Apportionment Fund, there to be distributed with the other gross general
21 revenue collections for that month in accordance with the provisions of § 19-
22 5-201 et seq.

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24 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
25 General Assembly of the State of Arkansas that revenue available for the
26 support of necessary state services has declined during the last twelve (12)
27 months as a result of the nationwide economic slow down; that without
28 additional revenue some state services will be reduced or eliminated; that
29 some Arkansans will suffer as a result of service reductions or cuts; and
30 that this bill will provide the necessary revenue to avoid state service
31 reductions or cuts. Therefore, an emergency is declared to exist and this
32 act being necessary for the preservation of the public peace, health, and
33 safety shall become effective on July 1, 2003.