

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 85th General Assembly
3 Regular Session, 2005

A Bill

HOUSE BILL 2649

4
5 By: Representative Jackson
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For An Act To Be Entitled

8
9 AN ACT TO PROVIDE THAT BOTTLED WATER SOLD IN
10 CONTAINERS OF ONE GALLON OR LESS IS SUBJECT TO
11 THE ARKANSAS SOFT DRINK TAX; AND FOR OTHER
12 PURPOSES.
13

Subtitle

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15 TO PROVIDE THAT BOTTLED WATER SOLD IN
16 CONTAINERS OF ONE GALLON OR LESS IS
17 SUBJECT TO THE ARKANSAS SOFT DRINK 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 §§ 26-57-904 and 26-57-905 are amended to
23 read as follows:

24 26-57-904. Tax rate.

25 (a) There is ~~hereby~~ levied and there shall be collected a tax upon
26 every distributor, manufacturer, or wholesale dealer, to be calculated as
27 follows:

28 (1) Two dollars (\$2.00) per gallon for each gallon of soft drink
29 syrup or simple syrup sold or offered for sale in the State of Arkansas;

30 (2) Twenty-one cents (21¢) per gallon for each gallon of bottled
31 soft drinks sold or offered for sale in the State of Arkansas;

32 (3) Where a package or container of powder or other base
33 product, other than a syrup or simple syrup, is sold or offered for sale in
34 Arkansas, and the powder is for the purpose of producing a liquid soft drink,
35 then the tax on the sale of each package or container shall be equal to
36 twenty-one cents (21¢) for each gallon of soft drink which may be produced



1 from each package or container by following the manufacturer's directions.
 2 This tax applies when the sale of the powder or other base is sold to a
 3 retailer for sale to the ultimate consumer after the liquid soft drink is
 4 produced by the retailer-; and

5 (4) Twenty-one cents (21¢) per gallon for each gallon of bottled
 6 water sold or offered for sale in the State of Arkansas that is sold in
 7 containers of one (1) gallon or less.

8 (b)(1) Any retailer or retail dealer who purchases bottled soft
 9 drinks, soft drink syrup, simple syrup, powder, or base product from an
 10 unlicensed distributor, manufacturer, or wholesale dealer shall be liable for
 11 the tax levied in subsection (a) of this section on those purchases.

12 (2) A retailer shall not be subject to this tax if the retailer
 13 purchases syrups, simple syrups, powders or base products, or soft drinks
 14 from a supplier licensed under § 26-57-909.

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16 26-57-905. Exemptions.

17 The following shall be exempt from the tax levied by § 26-57-904:

18 (1) Syrups, simple syrups, powders or base products, or soft
 19 drinks sold to the United States Government;

20 (2) Syrups, simple syrups, powders or base products, or soft
 21 drinks exported from the State of Arkansas by a distributor, wholesaler, or
 22 manufacturer;

23 (3) Any powder or base product that is used in preparing coffee
 24 or tea;

25 (4) Any frozen concentrate or freeze-dried concentrate to which
 26 only water is added to produce a soft drink containing more than ten percent
 27 (10%) natural fruit juice or natural vegetable juice;

28 (5) Any soft drink containing more than ten percent (10%)
 29 natural fruit juice or natural vegetable juice;

30 (6) Syrups, simple syrups, powders or base products, or soft
 31 drinks sold by one distributor, wholesaler, or manufacturer to another
 32 distributor, wholesaler, or manufacturer who holds a license issued by the
 33 director under the provisions of § 26-57-909 as a distributor, wholesaler, or
 34 manufacturer, provided that the license number of the distributor,
 35 wholesaler, or manufacturer to whom the soft drink is sold is clearly shown
 36 on the invoice for the sale which is claimed to be exempt. This exemption

1 shall not apply to any sale to a retailer;

2 (7) Any product, whether sold in liquid or powder form, which is
3 intended by the manufacturer for consumption by infants and which is commonly
4 referred to as "infant formula";

5 (8) Any product, whether sold in liquid or powder form, which is
6 intended by the manufacturer for use as a dietary supplement or for weight
7 reduction;

8 ~~(9) Water to which no flavoring, whether artificial or natural,~~
9 ~~or carbonation has been added;~~

10 ~~(10)~~(9) Any powder or other base product which is intended by
11 the manufacturer to be sold and used for the purpose of domestically mixing
12 soft drinks by the ultimate consumer; and

13 ~~(11)~~(10) Any product containing milk or milk products.
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