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	As Engrossed: H3/7/07		
2	86th General Assembly	A Bill		
3	Regular Session, 2007		HOUSE BILL	1739
4				
5	By: Representatives Shelby, D	avis, Hardwick, House		
6				
7				
8		For An Act To Be Entitled		
9	AN ACT TO	FUND PUBLIC HEALTH PROGRAMS AND		
10	SERVICES	FOR THE UNDERSERVED BY IMPOSING		
11	ADDITIONA	AL CIGARETTE AND TOBACCO TAXES AND TO	ı	
12	INCREASE	GENERAL REVENUES; AND FOR OTHER		
13	PURPOSES.	,		
14				
15		Subtitle		
16	TO FUN	ND PUBLIC HEALTH PROGRAMS AND		
17	SERVIC	CES FOR THE UNDERSERVED BY IMPOSING		
18	ADDITI	IONAL CIGARETTE AND TOBACCO TAXES		
19	AND TO	O INCREASE GENERAL REVENUES.		
20				
21				
22	BE IT ENACTED BY THE GE	NERAL ASSEMBLY OF THE STATE OF ARKAN	SAS:	
23				
24	SECTION 1. Arkan	sas Code Title 26, Chapter 57 is ame	nded to add an	L
25	additional subchapter t	o read as follows:		
26	<u>26-57-1401. Addi</u>	tional tax on cigarettes.		
27	(a) In addition	to the excise or privilege taxes lev	ied under §§ 2	<u>.6-</u>
28	57-208, 26-57-802, 26-5	7-803, 26-57-804, and 26-57-1101, the	ere is levied	<u>an</u>
29	additional tax of twent	y-five dollars (\$25.00) per one thou	sand (1,000)	
30	cigarettes sold in the	state.		
31	(b)(1)(A) Whenev	er there are two (2) adjoining cities	s each with a	
32	population of five thou	sand (5,000) or more separated by a	state line, th	<u>.e</u>
33	tax on cigarettes sold	in the adjoining Arkansas city shall	be at the rat	<u>.e</u>
34	imposed by law on cigar	ettes sold in the adjoining city out	side Arkansas.	-
35	<u>(B)</u>	The tax shall not exceed the tax upon	n cigarettes	
36	imposed by Arkansas law	′ <u>•</u>		

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1	(2)(A) The tax on cigarettes sold in Arkansas within three
2	hundred feet (300') of a state line in any Arkansas city that adjoins a state
3	line or in any city that is separated only by a navigable river from a city
4	that adjoins a state line shall be at the rate imposed by law on cigarettes
5	sold in the adjoining state.
6	(B) The tax shall not exceed the tax upon cigarettes
7	imposed by Arkansas law.
8	(3)(A) A wholesaler or retailer shall not sell cigarettes to a
9	retailer located outside a border zone described in subdivisions (b)(1) and
10	(2) of this section unless the full amount of tax levied by this section and
11	§§ 26-57-208, 26-57-802, 26-57-803, 26-57-804, and 26-57-1101 without regard
12	to any reduced border zone rate has been paid as evidenced by cigarette
13	stamps affixed to each container of cigarettes.
14	(B) A retailer located outside a border zone described in
15	subdivisions (b)(1) and (2) of this section shall not possess or offer for
16	sale cigarettes unless the full amount of tax levied by this section and $\S\S$
17	26-57-208, 26-57-802, 26-57-803, 26-57-804, 26-57-804, and 26-57-1101 without
18	regard to any reduced border zone rate has been paid as evidenced by
19	cigarette stamps affixed to each container of cigarettes.
20	(C) A violation of subdivision (b)(3) of this section is
21	grounds for the suspension or revocation of a permit or license issued by the
22	Director of the Arkansas Tobacco Control Board.
23	(c) The exemptions and waivers allowed under §§ 26-57-209 and 26-57-
24	210 apply to this section.
25	(d) The additional tax levied by this section shall be imposed,
26	$\underline{\text{reported}}$, $\underline{\text{remitted}}$, and administered in the same manner and at the same time
27	as other taxes levied on cigarettes in the Arkansas Tobacco Products Tax Act
28	of 1977, § 26-57-201 et seq.
29	(e) The Director of the Department of Finance and Administration shall
30	not pay the commission authorized by § 26-57-236(g), as amended by Acts 1997,
31	No. 434, with respect to the additional tax levied by this section.
32	
33	26-57-1402. Additional tax on tobacco products other than cigarettes.
34	(a)(l) In addition to the excise or privilege taxes levied under §§
35	26-57-208, 26-57-803, 26-57-805, and 26-57-1102, there is levied an
36	additional tax on tobacco products other than cigarettes on the first sale to

1	wholesalers or retailers within the state at eight percent (8%) of the		
2	manufacturer's selling price.		
3	(2) The additional tax levied by this section shall be computed		
4	on the manufacturer's actual invoice price before discounts and deals.		
5	(b)(l) The additional tax levied by this section shall be reported and		
6	paid by wholesalers licensed pursuant to § 26-57-214.		
7	(2) However, a retailer is liable for reporting and paying the		
8	additional tax levied by this section when a retailer purchases tobacco		
9	products other than cigarettes directly from a manufacturer or from a		
10	wholesaler or distributor not licensed pursuant to § 26-57-214.		
11	(c) The exemptions and waivers allowed under §§ 26-57-209 and 26-57-		
12	210 apply to this section.		
13			
14	26-57-1403. Distribution of revenues.		
15	The moneys collected pursuant to §§ 26-57-1401 and 26-57-1402 shall be		
16	distributed as follows:		
17	(1) Fifty percent (50%) to be credited to the General Revenue		
18	Fund Account of the State Apportionment Fund to be distributed as general		
19	revenues; and		
20	(2) Fifty percent (50%) to be distributed as follows:		
21	(A) Forty-one and fifty-two hundredths of a percent		
22	(41.54%) but not less than fifteen million dollars (\$15,000,000) to the		
23	Community Health Centers of Arkansas;		
24	(B) Thirteen and eighty-four hundredths of a percent		
25	(13.84%) to the Department of Education to be used exclusively for the school		
26	nurses program;		
27	(C) Thirteen and fifteen hundredths of a percent (13.15%)		
28	to the Division of Health of the Department of Health and Human Services to		
29	be used exclusively for the Breast Cancer Control Program;		
30	(D) Eight and three-tenths of a percent (8.30%) to the		
31	Department of Education to be used exclusively for the coordinated school		
32	health program;		
33	(E) Seven and seventy-five hundredths of a percent (7.75%)		
34	to the Arkansas Minority Health Commission;		
35	(F) Six and ninety-two hundredths of a percent (6.92%) to		
36	the Arkansas Association of Charitable Clinics;		

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1	(G) Four and fifteen hundredths of a percent (4.15%) to
2	the Arkansas Tobacco Control Board;
3	(H) Three and seventy-seven hundredths of a percent
4	(3.77%) to the Prostate Cancer Foundation; and
5	(I) Fifty-eight hundredths of a percent (0.58%) to the
6	Division of Health of the Department of Health and Human Services to be used
7	exclusively for the Arkansas Central Cancer Registry.
8	
9	SECTION 2. NOT TO BE CODIFIED. Purchases of cigarette stamps pursuant
10	to § 26-57-236 by wholesalers and stamp deputies during June 2007 is limited
11	to one hundred ten percent (110%) of the amount of each purchaser's average
12	cigarette stamp purchase for the period January 2007 through May 2007.
13	
14	SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
15	General Assembly of the State of Arkansas that there is an urgent need for
16	funding for public health programs and services for the underserved for the
17	next fiscal year and beyond; that the additional taxes on tobacco products
18	established by this act are necessary to provide funding for these health
19	programs for the next fiscal year and beyond; and that this act is necessary
20	to provide the needed funding for these public health programs and services
21	for the next fiscal year and beyond. Therefore, an emergency is declared to
22	exist and this act being necessary for the preservation of the public peace,
23	health, and safety shall become effective on July 1, 2007.
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25	/s/ Shelby, et al
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