

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 87th General Assembly
3 Regular Session, 2009

A Bill

SENATE BILL 90

4
5 By: Senator H. Wilkins
6
7

For An Act To Be Entitled

8
9 AN ACT TO LEVY AN EXCISE TAX ON SPIRITUOUS LIQUOR
10 AND WINE SOLD IN ARKANSAS; AND FOR OTHER
11 PURPOSES.
12

Subtitle

13
14 AN ACT TO LEVY AN EXCISE TAX ON
15 SPIRITUOUS LIQUOR AND WINE SOLD IN
16 ARKANSAS.
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code Title 3, Chapter 7 is amended to add a new
22 subchapter as follows:

23 3-7-601. Title.

24 This subchapter shall be known and may be cited as the "Arkansas
25 Substance Abuse Programs Act".
26

27 3-7-602. Definitions.

28 As used in this subchapter:

29 (1) "Alcoholic beverage" means a beverage suitable for human
30 consumption that contains spirituous liquor or wine, including any mixed
31 drink containing spirituous liquor or wine;

32 (2) "Distributor, manufacturer, or wholesale dealer" means any
33 person that receives, stores, manufactures, bottles, or sells alcoholic
34 beverages to a retail dealer, other distributor, manufacturer, or wholesale
35 dealer for resale purposes;

36 (3) "Person" means an individual, trust, estate, fiduciary,



1 partnership, limited liability company, limited liability partnership,
2 corporation, or any other legal entity;

3 (4) "Sale" means the transfer of title or possession for a
4 valuable consideration of tangible personal property regardless of the manner
5 by which the transfer is accomplished;

6 (5) "Spirituous liquor" means liquor distilled from the
7 fermented juices of grain, fruits, or vegetables or any mixture containing
8 liquor distilled from the fermented juices of grain, fruits, or vegetables,
9 with an alcoholic content of twenty-one percent (21%) or more alcohol by
10 weight; and

11 (6) "Wine" means any fermented alcoholic liquor made from
12 grapes, berries, fruits, honey, or vegetables and includes any other mixture
13 containing the fermented juices of grapes, berries, fruits, honey, or
14 vegetables, or any other wine, the alcoholic content of which is more than
15 one-half of one percent (0.5%) of alcohol by weight and which does not exceed
16 twenty-one percent (21%) of alcohol by weight, regardless of where the wine
17 is manufactured.

18
19 3-7-603. Tax imposed.

20 (a) There is levied an excise tax of five percent (5%) upon all gross
21 receipts or proceeds derived from the sale of an alcoholic beverage by a
22 licensed or unlicensed distributor, manufacturer, or wholesale dealer to a
23 retailer.

24 (b) The excise tax imposed under subsection (a) of this section is in
25 addition to all other taxes now imposed and cumulative to the Arkansas Gross
26 Receipts Act of 1941, § 26-52-101 et seq., and the Arkansas Compensating Tax
27 Act of 1949, § 26-53-101 et seq. and all other taxes imposed by this chapter.

28
29 3-7-604. Duty to collect and report.

30 (a) A distributor, manufacturer, or wholesale dealer subject to the
31 excise tax in § 3-7-603 shall collect the tax from the retailer in addition
32 to the established retail price of the alcoholic beverage and file a return
33 and remittance with the Director of the Department of Finance and
34 Administration on or before the twentieth day of each calendar month for the
35 preceding month.

36 (b) Failure to file the return and remittance on the due date is cause

1 for the director to enter an assessment for the return and remittance and add
2 as a penalty ten percent (10%) of the amount of tax found to be due.

3 (c) The return and remittance shall be filed upon forms prescribed by
4 the director in accordance with such rules as the director may promulgate
5 under § 3-7-606(b).

6
7 3-7-605. Border city tax.

8 If a sale is subject to the excise tax in § 3-7-603 and the sale is
9 sourced to a location in a city or incorporated town which is subject to the
10 border city tax rate provided in § 26-52-303, the excise tax levied in this
11 subchapter shall be at the same rate as imposed by the adjoining state, not
12 to exceed the rate imposed by this subchapter plus all other taxes imposed by
13 this chapter and by the Arkansas Gross Receipts Act of 1941, § 26-52-101, et
14 seq., and the Arkansas Compensating Tax Act of 1949, § 26-53-101, et seq.

15
16 3-7-606. Administration.

17 (a) This subchapter is to be administered in all respects and in
18 accordance with the Arkansas Tax Procedure Act, § 26-18-101 et seq., unless
19 otherwise provided.

20 (b) The Director of the Department of Finance and Administration shall
21 promulgate rules to implement this subchapter.

22
23 3-7-607. Disposition of tax, interest, and penalties.

24 (a) The tax, interest, fees, and penalties derived and collected from
25 the excise tax levied by this subchapter are classified as special revenues
26 and shall be deposited into the State Treasury.

27 (b) The Treasurer of State shall transfer the special revenues
28 received under subsection (a) of this section on the last business day of
29 each month as follows:

30 (1) Seventy percent (70%) to the Drug Abuse Prevention and
31 Treatment Fund administered through the Office of Alcohol and Drug Abuse
32 Prevention to provide alcohol and substance abuse treatment as follows:

33 (A) Twenty-eight percent (28%) for specialized services
34 for women;

35 (B) Sixteen percent (16%) for adolescent treatment
36 services;

1 (C) Twenty-five percent (25%) for adult treatment
 2 services; and

3 (D) One percent (1%) for the infrastructure of the Office
 4 of Alcohol and Drug Abuse Prevention;

5 (2) Eighteen percent (18%) to the Domestic Peace Fund;

6 (3) Four percent (4%) to community-based youth services
 7 administered through the Department of Human Services;

8 (4) One percent (1%) to the Arkansas Coalition Against Domestic
 9 Violence; and

10 (5) Seven percent (7%) to be used for home and community-based
 11 services for seniors and adults with disabilities administered through the
 12 Department of Human Services.

13
 14 SECTION 2. Arkansas Code Title 20, Chapter 13, Subchapter 8 is amended
 15 to add an additional section to read as follows:

16 20-13-811. Arkansas Substance Abuse Programs Fund.

17 (a) There is created on the books of the Treasurer of State, the
 18 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
 19 fund to be know as the "Arkansas Substance Abuse Programs Fund".

20 (b)(1) All moneys collected under § 3-7-603 shall be deposited into
 21 the State Treasury to the credit of the fund as special revenues.

22 (2) The fund also shall consist of any other revenues as may be
 23 authorized by law.

24 (c) The fund shall be distributed by the Department of Human Services
 25 for programs as provided in § 3-7-607.

26
 27 SECTION 3. EMERGENCY CLAUSE. It is hereby found and determined by the
 28 General Assembly of the State of Arkansas that there is a serious need to
 29 provide treatment services for the abuse of alcohol and drugs; that the use
 30 of alcohol and drugs is on the rise; that the effects of drug and alcohol
 31 abuse on the citizens of this state is far reaching; and that additional
 32 revenues are necessary to provide adequate funding for these essential
 33 services and to prevent irreparable harm to those affected by the abuse of
 34 alcohol and drugs. Therefore, an emergency is declared to exist and this act
 35 being necessary for the preservation of the public peace, health, and safety
 36 shall become effective on July 1, 2009.