

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
4

As Engrossed: S3/9/09
A Bill

SENATE BILL 90

5 By: Senator H. Wilkins
6
7

8 **For An Act To Be Entitled**

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

13 **Subtitle**

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;

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

35 (3) "Person" means an individual, trust, estate, fiduciary,
36 partnership, limited liability company, limited liability partnership,



1 corporation, or any other legal entity;

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

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

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

17
18 3-7-603. Tax imposed.

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

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

27
28 3-7-604. Duty to collect and report.

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

34 (b) Failure to file the return and remittance on the due date is cause
35 for the director to enter an assessment for the return and remittance and add
36 a penalty in accordance with the Arkansas Tax Procedure Act, § 26-18-101 et

1 seq.

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

5

6 3-7-605. Border city tax.

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

8 (4) Eight percent (8%) to be used for home and community-based
9 services for seniors and adults with disabilities administered through the
10 Department of Human Services.

11
12 SECTION 2. Arkansas Code Title 20, Chapter 13, Subchapter 8 is amended
13 to add an additional section to read as follows:

14 20-13-811. Arkansas Substance Abuse Programs Fund.

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

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

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

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

24
25 SECTION 3. Effective Date. This act is effective beginning on
26 September 1, 2009.

27 /s/ H. Wilkins