

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 1956

5 By: Representatives Lea, Sanders
6

For An Act To Be Entitled

8 AN ACT TO ENSURE THE LONG-TERM FUNDING OF CERTAIN
9 HEALTH CARE PROGRAMS BY ENCOURAGING IN-STATE
10 PURCHASES OF CERTAIN TOBACCO PRODUCTS; AND FOR OTHER
11 PURPOSES.
12
13

Subtitle

15 TO ENSURE THE LONG-TERM FUNDING OF
16 CERTAIN HEALTH CARE PROGRAMS BY
17 ENCOURAGING IN-STATE PURCHASES OF CERTAIN
18 TOBACCO PRODUCTS.
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 26-57-208(2), concerning the levy of a tax
24 on tobacco products, is amended to add an additional subdivision to read as
25 follows:

26 (C)(i) The total amount of the excise or privilege taxes
27 levied under §§ 26-57-208, 26-57-803, 26-57-805, and 26-57-807 on cigars
28 shall not exceed fifty cents (50¢) per cigar.

29 (ii) If the total amount of the excise or privilege
30 taxes levied under §§ 26-57-208, 26-57-803, 26-57-805, and 26-57-807 on
31 cigars would exceed (50¢) per cigar, the excise or privilege tax rates under
32 §§ 26-57-208, 26-57-803, 26-57-805, and 26-57-807 shall be reduced
33 proportionally.

34 (iii) The director shall adopt rules to implement
35 this subdivision (2)(C).
36



1 SECTION 2. Arkansas Code § 26-57-208(2), concerning the levy of a tax
2 on other tobacco products, is amended to read as follows:

3 (2)(A)(i) The excise or privilege tax on tobacco products other
4 than cigarettes on the sale by wholesalers to retailers, or by licensed
5 retailers to the Director of the Department of Finance and Administration
6 within the state is sixteen percent (16%) of the manufacturer's selling
7 price.

8 (ii) However, the excise or privilege tax levied
9 under subdivision (2)(A)(i) of this section is subject to the limitation
10 stated in § 26-57-208(2).

11 (B) The tax shall be computed on the actual manufacturer's
12 invoice price before discounts;

13
14 SECTION 3. Arkansas Code § 26-57-803(b), concerning the levy of an
15 additional tax on other tobacco products, is amended to read as follows:

16 (b)(1) In addition to the tax imposed by § 26-57-208(2), there is
17 levied an additional excise or privilege tax on the sale of tobacco products
18 other than cigarettes by wholesalers to retailers or by licensed retailers to
19 the Director of the Department of Finance and Administration at seven percent
20 (7%) of the manufacturer's selling price. The tax shall be computed before
21 discounts.

22 (2) However, the excise or privilege tax levied under
23 subdivision (b)(1) of this section is subject to the limitation stated in §
24 26-57-208(2).

25
26 SECTION 4. Arkansas Code § 26-57-805(a), concerning the levy of an
27 additional tax on other tobacco products, is amended to read as follows:

28 (a)(1)(A) In addition to the excise or privilege taxes levied under §§
29 26-57-208, 26-57-803, and 26-57-1102, there is levied an additional tax on
30 tobacco products other than cigarettes on the first sale to wholesalers or
31 retailers within the state at seven percent (7%) of the manufacturer's
32 selling price.

33 (B) However, the excise or privilege tax levied under
34 subdivision (a)(1)(A) of this section is subject to the limitation stated in
35 § 26-57-208(2).

36 (2) The tax shall be computed on the manufacturer's actual

1 invoice price before discounts and deals.

2
 3 SECTION 5. Arkansas Code § 26-57-807(a), concerning the levy of an
 4 additional tax on other tobacco products, is amended to read as follows:

5 (a)(1)(A) In addition to the excise or privilege taxes levied under §§
 6 26-57-208, 26-57-803, 26-57-805 and 26-57-1102, there is levied an additional
 7 tax on tobacco products other than cigarettes on the first sale to
 8 wholesalers or retailers within the state at thirty-six percent (36%) of the
 9 manufacturer's selling price.

10 (B) However, the excise or privilege tax levied under
 11 subdivision (a)(1)(A) of this section is subject to the limitation stated in
 12 § 26-57-208(2).

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

15
 16 SECTION 6. EFFECTIVE DATE. Sections 1 through 5 of this act are
 17 effective on the first day of the second calendar month following the
 18 effective date of this act.