

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021

A Bill

HOUSE BILL 1316

4
5 By: Representatives L. Fite, Beaty Jr., M. Berry, Boyd, Bragg, Brooks, Brown, Crawford, Deffenbaugh,
6 Hollowell, Jean, Lowery, Lundstrum, Lynch, Miller, Ray, Slape, S. Smith, Warren, Watson
7 By: Senators D. Wallace, L. Eads, T. Garner, Gilmore, K. Hammer

For An Act To Be Entitled

10 AN ACT TO PHASE OUT THE SOFT DRINK TAX; TO REDUCE THE
11 SOFT DRINK TAX; TO PROVIDE FOR THE EXPIRATION OF THE
12 ARKANSAS SOFT DRINK TAX ACT; AND FOR OTHER PURPOSES.

Subtitle

16 TO PHASE OUT THE SOFT DRINK TAX; TO
17 REDUCE THE SOFT DRINK TAX; AND TO PROVIDE
18 FOR THE EXPIRATION OF THE ARKANSAS SOFT
19 DRINK TAX ACT.

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

24 SECTION 1. Arkansas Code § 26-57-904(a), concerning the tax rate under
25 the Arkansas Soft Drink Tax Act, is amended to read as follows:

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

29 (1) ~~One dollar and twenty-six cents (\$1.26) per gallon for~~ For
30 each gallon of soft drink syrup or simple syrup sold or offered for sale in
31 the State of Arkansas;

32 (A) One dollar and twenty-six cents (\$1.26) per gallon;

33 (B) Beginning January 1, 2023, ninety-four and five-tenths
34 cents (94.5¢) per gallon; and

35 (C) Beginning January 1, 2024, forty-seven and three-
36 tenths cents (47.3¢) per gallon;



1 (2) ~~Twenty and six tenths cents (20.6¢) per gallon for~~ For each
 2 gallon of bottled soft drinks sold or offered for sale in the State of
 3 Arkansas;

4 (A) Twenty and six-tenths cents (20.6¢) per gallon;

5 (B) Beginning January 1, 2023, fifteen and five-tenths
 6 cents (15.5¢) per gallon; and

7 (C) Beginning January 1, 2024, seven and seven-tenths
 8 cents (7.7¢) per gallon; and

9 (3)(A) When a package or container of powder or other base
 10 product, other than a syrup or simple syrup, is sold or offered for sale in
 11 Arkansas, and the powder is for the purpose of producing a liquid soft drink,
 12 then the tax on the sale of each package or container shall be equal to
 13 ~~twenty and six tenths cents (20.6¢)~~ the following tax for each gallon of soft
 14 drink ~~which~~ that may be produced from each package or container by following
 15 the manufacturer's directions;

16 (i) Twenty and six-tenths cents (20.6¢);

17 (ii) Beginning January 1, 2023, fifteen and five-
 18 tenths cents (15.5¢); and

19 (iii) Beginning January 1, 2024, seven and seven-
 20 tenths cents (7.7¢).

21 (B) This tax applies when the sale of the powder or other
 22 base is sold to a retailer for sale to the ultimate consumer after the liquid
 23 soft drink is produced by the retailer.

24
 25 SECTION 2. Arkansas Code Title 26, Chapter 57, Subchapter 9, is
 26 amended to add an additional section to read as follows:

27 26-57-910. Sunset.

28 This subchapter expires on January 1, 2025.