

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1546

5 By: Representatives L. Fite, Beaty Jr., M. Berry, Bragg, Brooks, Brown, Crawford, Deffenbaugh, Evans,
6 Hollowell, Jean, Lowery, Lundstrum, Lynch, Miller, Ray, Rye, Slape, Warren
7 By: Senators D. Wallace, L. Eads, T. Garner, Gilmore, K. Hammer
8

For An Act To Be Entitled

10 AN ACT CONCERNING THE SOFT DRINK TAX AND THE PROGRAMS
11 FUNDED BY THE SOFT DRINK TAX; TO PHASE OUT THE SOFT
12 DRINK TAX; TO REDUCE THE SOFT DRINK TAX; TO PROVIDE
13 FOR THE EXPIRATION OF THE ARKANSAS SOFT DRINK TAX
14 ACT; TO PROVIDE FOR ADDITIONAL AMOUNTS TO BE
15 DISTRIBUTED TO OFFSET THE EFFECT ON THE ARKANSAS
16 MEDICAID PROGRAM TRUST FUND RESULTING FROM THE
17 PHASEOUT OF THE SOFT DRINK TAX; AND FOR OTHER
18 PURPOSES.
19

Subtitle

22 TO PHASE OUT THE SOFT DRINK TAX; AND TO
23 PROVIDE FOR ADDITIONAL AMOUNTS TO BE
24 DISTRIBUTED TO OFFSET THE REVENUE
25 REDUCTION RESULTING FROM THE PHASEOUT OF
26 THE SOFT DRINK TAX.
27

28
29 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
30

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

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

36 (1) ~~One dollar and twenty six cents (\$1.26) per gallon for~~ For



1 each gallon of soft drink syrup or simple syrup sold or offered for sale in
 2 the State of Arkansas;

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

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

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

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

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

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

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

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

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

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

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

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

31
 32 SECTION 2. Arkansas Code Title 26, Chapter 57, Subchapter 9, is
 33 amended to add an additional section to read as follows:

34 26-57-910. Sunset.

35 This subchapter expires on January 1, 2025.

36

1 SECTION 3. Arkansas Code § 19-5-402(a), concerning the maximum
 2 allocations of revenues for fiscal year 2020-2021 and thereafter, is amended
 3 to add an additional subdivision to read as follows:

4 (3)(A) The following amounts shall be included and added to the
 5 amount distributed in subdivisions (a)(1) and (2) of this section and
 6 distributed by the Treasurer of State in monthly amounts to the Arkansas
 7 Medicaid Program Trust Fund under § 19-5-985:

8 (i) For the fiscal year beginning on July 1, 2022,
 9 four million one hundred eight thousand dollars (\$4,108,000);

10 (ii) For the fiscal year beginning on July 1, 2023,
 11 sixteen million twenty-two thousand dollars (\$16,022,000);

12 (iii) For the fiscal year beginning on July 1, 2024,
 13 thirty million eight hundred eleven thousand dollars (\$30,811,000); and

14 (iv) For fiscal years beginning on and after July 1,
 15 2025, thirty-nine million four hundred thirty-eight thousand dollars
 16 (\$39,438,000).

17 (B) The amounts allocated in subdivision (a)(3)(A) of this
 18 section or so much of the amounts allocated in subdivision (a)(3)(A) of this
 19 section as is available shall be distributed by the Treasurer of State in
 20 monthly amounts with each allocation's proportion of the total of
 21 subdivisions (a)(1) and (2) of this section and this subdivision (a)(3) to
 22 supplement the Arkansas Medicaid Program Trust Fund.

23
 24 SECTION 4. Arkansas Code § 19-5-985(b)(1)(E), concerning the funds in
 25 the Arkansas Medicaid Program Trust Fund, is amended to read as follows:

26 (E) The ~~amount~~ amounts provided for in § 19-5-402(a)(3);
 27 and