

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 347

By: Senators Bond, Elliott
By: Representatives McCullough, D. Garner

For An Act To Be Entitled

AN ACT TO IMPOSE A PRIVILEGE TAX ON E-CIGARETTES; TO DESIGNATE THE REVENUES DERIVED FROM THE PRIVILEGE TAX ON E-CIGARETTES TO BE USED BY THE UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES; TO PROVIDE FUNDING FOR THE UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES TO ACHIEVE AND MAINTAIN DESIGNATION AS A NATIONAL CANCER INSTITUTE-DESIGNATED CANCER CENTER; AND FOR OTHER PURPOSES.

Subtitle

TO IMPOSE A PRIVILEGE TAX ON E-CIGARETTES; AND TO DESIGNATE THE REVENUES DERIVED FROM THE TAX ON E-CIGARETTES TO BE USED BY THE UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES.

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

SECTION 1. Arkansas Code Title 26, Chapter 57, is amended to add an additional subchapter to read as follows:

Subchapter 16 – E-Cigarette Privilege Tax

26-57-1601. Definition.

As used in this subchapter, "e-cigarette" means a vapor product or an e-liquid product, as those terms are defined in § 26-57-203.



26-57-1602. Privilege tax.

There is levied a privilege tax on e-cigarettes sold in this state that is equal to the total tax levied on tobacco products, as defined in § 26-57-203, other than cigarettes.

26-57-1603. Imposition, reporting, remittance, and administration of privilege tax.

Except as otherwise provided in this subchapter, the privilege tax levied under § 26-57-1602 shall be imposed, reported, remitted, and administered in the same manner and at the same time as taxes on tobacco products under the Arkansas Tobacco Products Tax Act of 1977, § 26-57-201 et seq.

26-57-1604. Invoices.

The privilege tax levied under § 26-57-1602 shall be separately stated and identified on each invoice or statement as the "E-cigarette Privilege Tax".

26-57-1605. Distribution of revenues.

The revenues collected under this subchapter shall be distributed as follows:

(1) The first ten million dollars (\$10,000,000) shall be credited to the University of Arkansas for Medical Sciences National Cancer Institute Designation Trust Fund; and

(2) Any remaining revenues shall be credited to the operating cash fund for the University of Arkansas for Medical Sciences.

26-57-1606. Applicability.

The privilege tax levied under § 26-57-1602 applies to inventory and stocks of e-cigarettes held by a wholesaler or retailer on and after the effective date of this subchapter.

26-57-1607. Rules.

The Director of the Department of Finance and Administration, the Director of Arkansas Tobacco Control, and the Arkansas Tobacco Control Board

shall adopt rules necessary to implement and allow for the enforcement of this subchapter.

SECTION 2. DO NOT CODIFY. Rules.

(a) When adopting the initial rules required under this act, the final rules shall be filed with the Secretary of State for adoption under § 25-15-204(f):

(1) On or before September 1, 2019; or

(2) If approval under § 10-3-309 has not occurred by September 1, 2019, as soon as practicable after approval under § 10-3-309.

(b) The Director of the Department of Finance and Administration, the Director of Arkansas Tobacco Control, and the Arkansas Tobacco Control Board shall file the proposed rules with the Legislative Council under § 10-3-309(c) sufficiently in advance of September 1, 2019, so that the Legislative Council may consider the rules for approval before September 1, 2019.

SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective on the first day of the second calendar month following the effective date of this act.