

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

State of Arkansas
93rd General Assembly
Regular Session, 2021

As Engrossed: H2/2/21
A Bill

HOUSE BILL 1316

By: Representatives L. Fite, Beaty Jr., M. Berry, Boyd, Bragg, Brooks, Brown, Crawford, Deffenbaugh, Hollowell, Jean, Lowery, Lundstrum, Lynch, Miller, Ray, Slape, S. Smith, Warren

By: Senators D. Wallace, L. Eads, T. Garner, Gilmore, K. Hammer

For An Act To Be Entitled

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

Subtitle

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

26-57-910. Sunset.

This subchapter expires on January 1, 2025.

/s/L. Fite