

Title 26. Taxation

Chapter I. Generally, Department of Finance and Administration

Subchapter F. Miscellaneous Taxes

Part 162. Cigarette Stamps and Border Zone Sales

Codification Notes. This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"SIGNED THIS 22nd DAY OF SEPTEMBER, 1998"

Subpart 1. Generally

26 CAR § 162-101. Definitions.

As used in this part, unless the context otherwise requires:

(1) "Border zone retailer" means a cigarette retailer whose place of business is located within the State of Arkansas and which is:

(A) Within three hundred feet (300') of the Arkansas state line;

(B) Within a city that adjoins the Arkansas state line;

(C) In any city that is separated only by a navigable river from a city that adjoins the Arkansas state line; or

(D) In a city with a population of five thousand (5,000) or more that adjoins a city in another state, which city:

(i) Is divided only by the Arkansas state line; and

(ii) Also has a population of five thousand (5,000) or more; and

(2)(A) "Stamps" means the Arkansas cigarette stamps denoting the tax on cigarettes and that are required to be affixed to cigarettes sold in the State of Arkansas.

(B) The Secretary of the Department of Finance and Administration shall provide stamps to wholesalers and stamp deputies for cigarettes sold within and without border zones.

(C) The secretary may provide separate stamps for each border zone area as needed for the proper enforcement and collection of tobacco products tax.

Authority. Arkansas Code § 26-57-206.

26 CAR § 162-102. Cigarette stamps and border zone sales.

(a)(1) Prior to selling cigarettes to an Arkansas cigarette retailer, a cigarette wholesaler must affix stamps to each package of cigarettes indicating that the tobacco products tax has been paid.

(2) The current non-border zone rate is fifteen dollars and seventy-five cents (\$15.75) per one thousand (1,000) cigarettes.

(3) Cigarettes sold to a border zone retailer may be taxed at a lower rate pursuant to Arkansas Code §§ 26-57-208, 26-57-802, and 26-57-803.

(4) In the event that a lower tax rate applies to sales of cigarettes to border zone retailers, the wholesaler must affix a separate border zone stamp if the Secretary of the Department of Finance and Administration has issued separate border zone stamps for that area.

(b)(1) A retailer with a place of business outside of a border zone may not retain in inventory any cigarettes that have the border zone stamps affixed.

(2) Such retailer may only retain in inventory cigarettes that have stamps affixed reflecting that the full Arkansas tobacco products tax was paid.

(3) The secretary may confiscate any cigarettes that are not properly stamped.

(4) The secretary may also provide the Arkansas Tobacco Control Board with the identity of the border zone retailer.

(c) Effective July 1, 1998, all wholesalers selling cigarettes to border zone retailers with a store on or near the Missouri-Arkansas border must affix a separate Missouri border zone stamp to all cigarettes sold to such border zone retailers.

Authority. Arkansas Code § 26-57-206.