

Department of Finance and Administration

Legislative Impact Statement

Bill: SB540

Bill Subtitle: TO AMEND THE LAWS PERTAINING TO TAXES LEVIED ON TOBACCO PRODUCTS; TO CLARIFY THAT CURRENT LAW IMPOSES AN EXCISE TAX ON ALL TOBACCO PRODUCTS OFFERED FOR SALE IN THE STATE; AND TO DECLARE AN EMERGENCY.

Basic Change :

Senator Maloch

Amends the Tobacco Products Tax Act regarding the tax on tobacco products other than cigarettes to clarify that the tax is imposed on the purchase price paid by licensed wholesalers or retailers when those tobacco products are acquired for resale to Arkansas consumers.

Revenue Impact :

None

Taxpayer Impact :

Tobacco wholesalers would continue to pay tax on the price at which the wholesaler acquired tobacco products in the same manner as when the tobacco products tax law was originally enacted almost 40 years ago.

Resources Required :

None

Time Required :

None

Procedural Changes :

None

Other Comments :

None

Legal Analysis :

This Bill amends state law regarding excise tax on tobacco products other than cigarettes. The language clarifies that the tax is due on the amount paid by a wholesaler for the tobacco products.

The bill is effective immediately upon approval and signature by the Governor.