

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

HOUSE BILL 1221

By: Representatives Sabin, Shepherd, Warren, Richey, M. Hodges

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE SALES AND USE  
TAX EXEMPTION FOR SALES BY A CHARITABLE ORGANIZATION;  
AND FOR OTHER PURPOSES.

### Subtitle

TO AMEND THE LAW CONCERNING THE SALES AND  
USE TAX EXEMPTION FOR SALES BY A  
CHARITABLE ORGANIZATION.

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

SECTION 1. Arkansas Code § 26-52-430(b), concerning an exception to the sales tax exemption for charitable organizations if the charitable organization competes with sales by a for-profit business, is amended to read as follows:

(b) A sale by a charitable organization does not compete with a sale by a for-profit business if:

(1) The sales transaction is conducted by a member of the charitable organization and not by ~~any~~ a franchisee or licensee;

(2) All the proceeds derived from the sales transaction go to the charitable organization; and

(3) The sales transaction is not a continuing one and is held not more than three (3) times a year; ~~and~~

~~(4) The dominant motive of the majority of purchasers of the items sold is the making of a charitable contribution, with the purchase of an item being merely incidental and secondary to the dominant purpose of making a gift to the charitable organization.~~



SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the first day of the calendar quarter following the effective date of this act.

**APPROVED: 03/27/2017**