

State of Arkansas
84th General Assembly
Regular Session, 2003

A Bill

HOUSE BILL 1003

By: Representative L. Prater

For An Act To Be Entitled

AN ACT TO PROVIDE AN EXEMPTION FOR A LIMITED
PERIOD FOR CLOTHING AND FOOTWEAR FROM THE TAX
LEVIED BY THE ARKANSAS GROSS RECEIPTS ACT OF
1941; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE A SALES TAX EXEMPTION FOR
CLOTHING AND FOOTWEAR FOR A LIMITED
PERIOD.

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

SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
to add the following additional section:

26-52-433. Limited exemption for clothing and footwear.

(a) The gross receipts or gross proceeds derived from the sale of an
article of clothing or footwear designed to be worn on or about the human
body are exempt from gross receipts tax if:

(1) The sales price of the article is less than one hundred
dollars (\$100); and

(2) The sale takes place during a period beginning at 12:01 a.m.
on the first Friday in August and ending at 12 midnight on the following
Sunday of every year.

(b) This section does not apply to:

(1) Any special clothing or footwear that is primarily designed
for athletic activity or protective use and that is not normally worn except
when used for the athletic activity or protective use for which it is



1 designed;

2 (2) Accessories, including, but not limited to, jewelry,
3 handbags, luggage, umbrellas, wallets, watches, and similar items carried on
4 or about the human body, without regard to whether worn on the body in a
5 manner characteristic of clothing; and

6 (3) The rental of clothing or footwear.

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8 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
9 General Assembly of the State of Arkansas that the citizens of Arkansas bear
10 a heavy financial burden during their annual preparations for the school year
11 and that burden would be lessened by this act by providing the citizens a
12 limited gross receipts tax break on clothing and footwear to help prepare for
13 the school year; that this act may also help stimulate back-to-school sales;
14 and that this act is immediately necessary to give adequate notice to
15 retailers and the public. Therefore, an emergency is declared to exist and
16 this act being immediately necessary for the preservation of the public
17 peace, health, and safety shall become effective on:

18 (1) The date of its approval by the Governor;

19 (2) If the bill is neither approved nor vetoed by the Governor,
20 the expiration of the period of time during which the Governor may veto the
21 bill; or

22 (3) If the bill is vetoed by the Governor and the veto is
23 overridden, the date the last house overrides the veto.