

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

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

SENATE BILL 262

By: Senators A. Clark, Bledsoe, Burnett, Caldwell, J. Dismang, J. English, J. Hendren, Hester, Holland, J. Hutchinson, Irvin, J. Key, B. King, Maloch, B. Pierce, Rapert, B. Sample, D. Sanders, G. Stubblefield, E. Williams, J. Woods

By: Representatives Lea, Bragg, Cozart, Dotson, Vines, Westerman

For An Act To Be Entitled

AN ACT TO FACILITATE AND ENCOURAGE CHARITABLE DONATIONS; TO EXEMPT FROM THE SALES AND USE TAX SELLERS' DONATIONS OF TANGIBLE PERSONAL PROPERTY TO CHARITABLE ORGANIZATIONS OR FOR CHARITABLE CAUSES; AND FOR OTHER PURPOSES.

Subtitle

TO FACILITATE AND ENCOURAGE CHARITABLE DONATIONS; AND TO EXEMPT FROM THE SALES AND USE TAX SELLERS' DONATIONS OF TANGIBLE PERSONAL PROPERTY TO CHARITABLE ORGANIZATIONS OR FOR CHARITABLE CAUSES.

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 an additional section to read as follows:

26-52-446. Seller donations to charitable organizations.

(a) The gross receipts or gross proceeds derived from tangible personal property, other than alcoholic beverages, withdrawn from the stock of a seller are exempt from the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., if the tangible personal property withdrawn from the stock of the seller is



donated to a charitable organization or for a charitable cause.

(b) As used in this section:

(1) "Charitable cause" means a philanthropic purpose that benefits one (1) or more private individuals who:

(A) Are not related within one (1) degree of consanguinity to the seller donating the tangible personal property or to an individual who is employed by the seller donating the tangible personal property; and

(B) Either:

(i) Use the donated tangible personal property in recovering from a natural disaster, including without limitation a tornado, earthquake, flood, storm, or fire; or

(ii) Meet the following criteria:

(a) Are indigent or have a disability; and

(b) Use the donated tangible personal property for purposes that would otherwise be served by a charitable organization; and

(2)(A) "Charitable organization" means an organization:

(i) Created for the purpose of philanthropic, educational, humanitarian, or religious pursuits rather than pecuniary pursuits; and

(ii) That employs the organization's resources to philanthropic, educational, humanitarian, or religious pursuits.

(B) "Charitable organization" includes without limitation a nonprofit corporation or association organized under the laws of this state or qualified under 26 U.S.C. § 501(c)(3), as it existed on January 1, 2013.

(c) The Director of the Department of Finance and Administration may promulgate rules to implement this section.

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