

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

HOUSE BILL 1921

By: Representative Lemons

For An Act To Be Entitled

AN ACT TO ENCOURAGE CHARITABLE GIVING AND ELIMINATE
PERVERSE AND ABSURD TAXES AND DISINCENTIVES ON
CHARITABLE GIVING; TO EXEMPT CERTAIN WITHDRAWALS OF
STOCK FROM THE SALES AND USE TAX; AND FOR OTHER
PURPOSES.

Subtitle

TO ENCOURAGE CHARITABLE GIVING AND
ELIMINATE PERVERSE AND ABSURD TAXES AND
DISINCENTIVES ON CHARITABLE GIVING; AND
TO EXEMPT CERTAIN WITHDRAWALS OF STOCK
FROM THE SALES AND USE TAX.

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

SECTION 1. Arkansas Code § 26-52-322(b)(2), concerning withdrawals from stock, is amended to read as follows:

(2) For purposes of calculating the gross receipts tax or the compensating use tax under subdivision (b)(1) of this section, the gross receipts or gross proceeds for a withdrawal from stock is ~~the~~:

(A) The value of any the goods, wares, merchandise, or tangible personal property withdrawn if the goods, wares, merchandise, or tangible personal property:

(i) Were withdrawn for consumption or use in the established business; or

(ii) Are alcoholic beverages or tobacco products; or

(B) Zero dollars (\$0.00) if the goods, wares, merchandise,



or tangible personal property, other than alcoholic beverages or tobacco products, were withdrawn for consumption or use by a:

(i) Nonprofit organization described in 26 U.S.C. § 501(c)(3), as it existed on January 1, 2015;

(ii) Public educational institution;

(iii) Nonprofit church; or

(iv) Private individual who has suffered damage or loss as the result of a natural disaster if:

(a) The private individual receiving the goods, wares, merchandise, or tangible personal property resides in an area of the state that the Governor has officially declared to be a disaster area; and

(b) A representative of the established business provides a sworn affidavit to the Department of Finance and Administration with the report required under § 26-52-501 describing in detail the goods, wares, merchandise, or tangible personal property withdrawn and the disaster area in which each recipient resides.

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.