

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 146

By: Senator A. Clark

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(A) The value of any the goods, wares, merchandise, or tangible personal property withdrawn if the goods, wares, merchandise, or tangible personal property:

(i) Were withdrawn for consumption or use in the established business; or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or tangible personal property, other than alcoholic beverages or tobacco products, were withdrawn for consumption or use by a: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, 2019;

(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the report required under § 26-52-501 describing in detail the goods, wares, merchandise, or tangible personal property withdrawn and the disaster area in which each recipient of the withdrawn goods, wares, merchandise, or tangible personal property resides.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.