

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

State of Arkansas *As Engrossed:* H2/4/21 H2/23/21 H2/24/21
93rd General Assembly **A Bill**
Regular Session, 2021

HOUSE BILL 1023

By: Representatives Lowery, *Jett, Ray*

By: *Senator M. Johnson*

For An Act To Be Entitled

AN ACT TO AMEND THE SALES TAX LAWS CONCERNING SPECIAL EVENTS; TO EXCLUDE CERTAIN SCHOOL FUNDRAISERS FROM THE SALES TAX LAWS REGULATING SPECIAL EVENTS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE SALES TAX LAWS CONCERNING SPECIAL EVENTS; AND TO EXCLUDE CERTAIN SCHOOL FUNDRAISERS FROM THE SALES TAX LAWS REGULATING SPECIAL EVENTS.

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

SECTION 1. Arkansas Code § 26-52-401, concerning sales tax exemptions for various products and services, is amended to add an additional subdivision to read as follows:

(42)(A) Gross receipts or gross proceeds derived from sales of tangible personal property, specified digital products, a digital code, or services by a parent teacher organization, a parent teacher association, or a similar organization that is:

(i) An organization described in 26 U.S.C. § 501(c)(3), as in effect on January 1, 2021; and

(ii) Affiliated with a public school.

(B) As used in this subdivision (42), "public school" means any school operated by a public school district or any open-enrollment



public charter school, as defined in § 6-23-103.

SECTION 2. Arkansas Code § 26-52-518(a)(3)(C), concerning the definition of "special event" in relation to the collection of sales taxes, is amended to read as follows:

(C) The special events shall not include: ~~any~~
(i) A county, district, or state fair; or the
(ii) The four states livestock show that has been
approved, pursuant to under the rules of the Arkansas Livestock and Poultry
Commission, to receive state funds; or
(iii)(a) A public school fundraising event sponsored
by a parent teacher organization, a parent teacher association, or a similar
organization if the:

(1) Ticket sales to the fundraising
event are sold by public school personnel, students, parents of students, and
community volunteers and businesses; and

(2) Gross proceeds from the ticket sales
are used to directly assist the public school in fulfilling its mission of
educating children.

(b) As used in this subdivision
(a)(3)(C)(iii), "public school" means any school operated by a public school
district or any open-enrollment public charter school, as defined in § 6-23-
103; and

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective on the first day of the calendar quarter following the effective date of this
act.

/s/Lowery