

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

HOUSE BILL 1903

By: Representative Hawks

## For An Act To Be Entitled

AN ACT TO AMEND THE SALES AND USE TAX TREATMENT OF THE PURCHASE OF DIGITAL BOOKS AND ELECTRONIC SUBSCRIPTIONS; TO EXEMPT THE PURCHASE OF DIGITAL BOOKS AND ELECTRONIC SUBSCRIPTIONS FROM SALES AND USE TAX WHEN PURCHASED BY A PUBLIC SCHOOL OR LIBRARY; AND FOR OTHER PURPOSES.

## Subtitle

TO EXEMPT THE PURCHASE OF DIGITAL BOOKS AND ELECTRONIC SUBSCRIPTIONS FROM SALES AND USE TAX WHEN PURCHASED BY A PUBLIC SCHOOL OR LIBRARY.

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:

26-52-453. Digital books and electronic subscriptions – Definitions.

(a) As used in this section:

(1) "Digital book" means a digital version of a work that is generally recognized in the ordinary and usual sense as a book;

(2) "Electronic subscription" means the exchange of money for electronic access to an electronic version of a:

(A) Newspaper; or

(B) Periodical, whether purchased individually or as a set; and

(3) "Library" means an organization or part of an organization



that:

(A) Maintains a collection of books or periodicals for people to read, borrow, or reference; and

(B) Is owned by a public or private school, an institution of higher education, a municipality, a county, or the state.

(b) The gross receipts or gross proceeds from the sale of a digital book or an electronic subscription to a public school or library are exempt from the gross receipts tax levied by this chapter and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

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.