

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

State of Arkansas  
94th General Assembly  
Regular Session, 2023

As Engrossed: H1/31/23 H2/7/23  
**A Bill**

HOUSE BILL 1235

By: Representatives Crawford, Gramlich, J. Richardson, Rose, L. Johnson

By: Senator J. Boyd

### For An Act To Be Entitled

AN ACT TO AMEND THE LAW GOVERNING STATE SALES TAX; TO  
CREATE AN EXEMPTION FROM SALES TAX FOR ALL PURCHASES  
BY A NONPROFIT THAT WORKS WITH ARKANSAS CITIZENS WHO  
HAVE BEEN DIAGNOSED WITH A DEVELOPMENTAL *DISABILITY*  
OR *DEVELOPMENTAL DELAY*; AND FOR OTHER PURPOSES.

### Subtitle

*TO CREATE AN EXEMPTION FROM SALES TAX FOR  
ALL PURCHASES BY A NONPROFIT THAT WORKS  
WITH ARKANSAS CITIZENS WHO HAVE BEEN  
DIAGNOSED WITH A DEVELOPMENTAL DISABILITY  
OR DEVELOPMENTAL DELAY.*

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:

26-52-455. Sales to nonprofits aiding people with developmental disabilities – Definitions.

(a) As used in this section, "diagnosed with a developmental disability or developmental delay" means a person has received a diagnosis of  
a:

(1) Disability that:

(A) Is attributable to:

(i) An intellectual disability, cerebral palsy, epilepsy, spina bifida, Down syndrome, or autism;



(ii) Another condition found to be closely related to an intellectual disability because the condition:

(a) Results in an impairment of general intellectual functioning or adaptive behavior similar to that of a person with an intellectual disability; or

(b) Requires treatment and services similar to that required for a person with an intellectual disability; or

(iii) Dyslexia resulting from a disability or condition described in subdivision (a)(1)(A)(i) or subdivision (a)(1)(A)(ii) of this section;

(B) Originates before the person reaches twenty-two (22) years of age;

(C) Has continued or can be expected to continue indefinitely; and

(D) Constitutes a substantial impairment to the person's ability to function without appropriate support services, including without limitation:

(i) Planned recreational activities;

(ii) Medical services such as physical therapy and speech therapy; and

(iii) Possibilities for sheltered employment or job training; or

(2) Delay of a child in any one (1) or more of the following areas:

(A) Physical development;

(B) Cognitive development;

(C) Language and speech development;

(D) Psychosocial development; or

(E) Self-help skills.

(b) The gross receipts or gross proceeds from the sale of tangible personal property or a service to a nonprofit that is certified under subsection (c) of this section to work with people in this state who have been diagnosed with a developmental disability or developmental delay 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.

(c)(1) Before claiming the exemption under subsection (b) of this section, the nonprofit shall apply for and obtain a certification from the Department of Finance and Administration on a form the department approves.

(2) The form under subsection (c)(1) of this section shall require the nonprofit to show it works with people in this state who have been diagnosed with a developmental disability.

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.

*/s/Crawford*