

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

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1717

By: Representative Lundstrum

By: Senator Crowell

For An Act To Be Entitled

AN ACT TO AMEND THE SALES AND USE TAX EXEMPTION FOR PRESCRIPTION DRUGS AND OXYGEN; TO EXEMPT OVER-THE-COUNTER DRUGS PRESCRIBED BY A MEDICAL PROFESSIONAL FROM SALES AND USE TAX; TO CLARIFY WHICH MEDICAL PROFESSIONALS MAY PRESCRIBE DRUGS THAT ARE EXEMPT FROM SALES AND USE TAX; AND FOR OTHER PURPOSES.

Subtitle

TO EXEMPT OVER-THE-COUNTER DRUGS PRESCRIBED BY A MEDICAL PROFESSIONAL FROM SALES AND USE TAX; AND TO CLARIFY WHICH MEDICAL PROFESSIONALS MAY PRESCRIBE DRUGS THAT ARE EXEMPT FROM SALES AND USE TAX.

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

SECTION 1. Arkansas Code § 26-52-406 is amended to read as follows:

26-52-406. Prescription drugs, prescribed over-the-counter drugs, and oxygen.

(a)(1) The gross receipts or gross proceeds derived from the sale, purchase, or use of prescription drugs or over-the-counter drugs prescribed by ~~licensed pharmacists~~, hospitals, or ~~physicians~~ licensed healthcare professionals when sold, purchased, or administered for human use and from the sale of oxygen sold for human use on prescription of a licensed ~~physician~~ healthcare professional shall be exempt from the Arkansas gross receipts tax levied by this chapter and the Arkansas compensating use tax levied by the



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Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(2) The withdrawal of prescription drug samples for free distribution from a stock or inventory, whether located within or outside the State of Arkansas, is exempt from the tax imposed by this chapter.

(b) The Secretary of the Department of Finance and Administration shall adopt such appropriate rules as the secretary deems necessary to assume the effective and efficient administration of the exemption provided for in this section and to prevent abuse thereof.

(c) As used in this section:

(1) "Healthcare professional" means a physician, a dentist, a podiatrist, an osteopath, a physician assistant, a nurse practitioner, an advanced practice registered nurse, a pharmacist, and any other medical professional who has prescriptive authority; and

(2) "Over-the-counter drug" means a drug that contains a label that identifies the product as a drug as required by 21 C.F.R. § 201.66, as it existed on January 1, 2023, and that includes:

(A) A "Drug Facts" panel; or

(B) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance, or preparation.

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.