

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

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1738

By: Representatives Crawford, Barnes, S. Berry, Breaux, John Carr, C. Cooper, Duffield, Ennett, D. Garner, Gonzales Worthen, Gramlich, Hollowell, Hudson, L. Johnson, Lynch, McClure, McCullough, M. McElroy, McGruder, Nazarenko, J. Richardson, Richmond, Rose, Rye, Steimel
By: Senators J. Boyd, A. Clark

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING BENEFITS PROVIDED TO DISABLED VETERANS; TO PROVIDE A SALES AND USE TAX EXEMPTION FOR DISABLED VETERANS AND CERTAIN HOUSEHOLD MEMBERS OF DISABLED VETERANS; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE A SALES AND USE TAX EXEMPTION FOR DISABLED VETERANS.

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:

26-52-457. Disabled veterans – Definition.

(a) As used in this section, "disabled veteran" means a person who qualifies for a property tax exemption under § 26-3-306.

(b)(1) The gross receipts or gross proceeds from the sale of tangible personal property, specified digital products, a digital code, or a service to the following 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.:

(1) A disabled veteran; or

(2) A member of a disabled veteran's household who is authorized to make purchases on behalf of and for the benefit of the disabled veteran in the disabled veteran's absence.



(c) To qualify for the exemption under this section, a disabled veteran shall submit to the Department of Finance and Administration a letter from the United States Department of Veterans Affairs certifying that he or she is a disabled veteran under § 26-3-306.

(d)(1) The maximum total amount of sales that qualify for an exemption under this section is twenty-five thousand dollars (\$25,000) per year for each disabled veteran.

(2) The Department of Finance and Administration may request a taxpayer claiming an exemption under this section to provide a statement executed under oath that the total amount of sales subject to the exemption provided under this section has not exceeded the limitation provided in subdivision (d)(1) of this section.

(3) If a taxpayer claims an exemption under this section on a sale that exceeds the limitation provided in subdivision (d)(1) of this section, the amount claimed as exempt in excess of the limitation shall be treated as a direct sales tax liability, and the Department of Finance and Administration may recover the sales and use tax, including any applicable penalties and interest, by the use of any method authorized by law.

(e) The Department of Finance and Administration shall issue an exemption card to each disabled veteran who qualifies for an exemption card under this section and each member of a disabled veteran's household who is authorized to make purchases on behalf of and for the benefit of the disabled veteran in the disabled veteran's absence.

(f) A person who claims an exemption under this section with a purpose to defraud upon conviction is guilty of a Class C misdemeanor.

(g) The Department of Finance and Administration shall promulgate rules to implement and administer this section.

SECTION 2. DO NOT CODIFY. EFFECTIVE DATE. Section 1 of this act is effective on the first day of the calendar quarter following the effective date of this act.