

2 State of Arkansas
3 93rd General Assembly
4 Regular Session, 2021

A Bill

HOUSE BILL 1903

5
6 By: Representative Hawks

7 Filed with: House Committee on Revenue and Taxation
8 pursuant to A.C.A. §10-3-217.

9 For An Act To Be Entitled

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

16 17 18 Subtitle

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

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

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27 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is
28 amended to add an additional section to read as follows:

29 26-52-453. Digital books and electronic subscriptions – Definitions.

30 (a) As used in this section:

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

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

35 (A) Newspaper; or

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

3 (3) "Library" means an organization or part of an organization
4 that:

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

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

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

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14 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the
15 first day of the second calendar month following the effective date of this
16 act.

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19 Referred requested by the Arkansas House of Representatives
20 Prepared by: MBM/KFW