

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

As Engrossed: S2/19/97

A Bill

ACT 704 OF 1997
SENATE BILL 272

4
5 By: Senator Fitch
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For An Act To Be Entitled

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9 "AN ACT TO AMEND ARKANSAS CODE 26-52-406 (a) CONCERNING
10 THE GROSS RECEIPTS TAX EXEMPTION FOR PRESCRIPTION DRUGS;
11 AND FOR OTHER PURPOSES."
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Subtitle

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14 "AN ACT CONCERNING THE GROSS RECEIPTS
15 TAX EXEMPTION FOR PRESCRIPTION DRUGS."
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code 26-52-406 (a), concerning the Gross Receipts
21 Tax exemption for prescription drugs, is amended to read as follows:

22 ^b(a)(1) The gross receipts or gross proceeds derived from the sale,
23 purchase, or use of prescription drugs by licensed pharmacists, hospitals, or
24 ~~dispensing~~ physicians ~~registered under the provisions of § 17-95-102, or~~
25 ~~oncologists~~ when sold, purchased, or administered for human use and from the
26 sale of oxygen sold for human use on prescription of a licensed physician
27 shall be exempt from the Arkansas gross receipts tax levied by the Arkansas
28 Gross Receipts Act, § 26-52-101 et seq., and the Arkansas compensating use tax
29 levied by the Arkansas Compensating Tax Act, § 26-53-101 et seq.

30 (2) The withdrawal of prescription drug samples for free distribution
31 from a stock or inventory, whether located within or outside the State of
32 Arkansas, is exempt from the tax imposed by this chapter.'
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34 SECTION 2. All provisions of this act of a general and permanent
35 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
36 Code Revision Commission shall incorporate the same in the Code.

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SECTION 3. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 4. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 5. EMERGENCY. It is found and determined by the General Assembly of the State of Arkansas that the current tax exemption for prescription drugs does not apply to all physicians and that the application of this law is confusing to the public; that by expanding the exemption the citizens of this state will benefit; and that this act is immediately necessary to aid the citizens of this state. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto.

/s/Fitch

APPROVED: 3-20-97