

**Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.**

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001  
4

*As Engrossed: S2/8/01 H3/2/01*

# A Bill

**Act 628 of 2001**  
SENATE BILL 248

5 By: Senators Whitaker, *Mahony*  
6 By: Representatives Green, M. Smith, Lowrey  
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## For An Act To Be Entitled

9  
10 PROVIDE EQUAL SALES TAX TREATMENT FOR GIFT SHOPS  
11 LOCATED IN NONPROFIT AND FOR-PROFIT HOSPITALS  
12 WHEN THE GIFT SHOPS ARE OPERATED BY CHARITABLE  
13 ORGANIZATIONS; AND FOR OTHER PURPOSES.  
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### Subtitle

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16 PROVIDE EQUAL SALES TAX TREATMENT FOR  
17 GIFT SHOPS LOCATED IN NONPROFIT AND FOR-  
18 PROFIT HOSPITALS WHEN THE GIFT SHOPS ARE  
19 OPERATED BY CHARITABLE ORGANIZATIONS.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. Arkansas Code 26-52-430 is amended to read as follows:  
25 26-52-430. Charitable organizations.

26 (a) The exemptions set forth in this subchapter for charitable  
27 organizations shall not extend to sales of new tangible personal property by  
28 the organization if the sale competes with sales by for-profit businesses.

29 (b) A sale by a charitable organization does not compete with a sale by  
30 a for-profit business if:

31 (1) The sales transaction is conducted by members of the  
32 charitable organization and not by any franchisee or licensee;

33 (2) All the proceeds derived from the transaction go to the  
34 charitable organization;

35 (3) The transaction is not a continuing one and is held not more  
36 than three (3) times a year; and

1 (4) The dominant motive of the majority of purchasers of the  
2 items sold is the making of a charitable contribution, with the purchase of  
3 the item being merely incidental and secondary to the dominant purpose of  
4 making a gift to the charity.

5 (c) The provisions of this section shall not apply to sales made by a  
6 nonprofit hospital, a cafeteria at a nonprofit hospital, or a gift shop at a  
7 nonprofit hospital, whether operated by the hospital, a hospital auxiliary, or  
8 other nonprofit organization. The provisions of this section shall also not  
9 apply to a gift shop operated by a charitable organization at a for-profit  
10 hospital.

11 /s/ Whittaker

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14 APPROVED: 3/9/2001  
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