

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019

A Bill

SENATE BILL 146

4
5 By: Senator A. Clark
6

7 For An Act To Be Entitled

8 AN ACT TO ENCOURAGE CHARITABLE GIVING AND ELIMINATE
9 PERVERSE AND ABSURD TAXES AND DISINCENTIVES ON
10 CHARITABLE GIVING; TO EXEMPT CERTAIN WITHDRAWALS OF
11 STOCK FROM THE SALES AND USE TAX; AND FOR OTHER
12 PURPOSES.
13

14 Subtitle

15 TO ENCOURAGE CHARITABLE GIVING AND
16 ELIMINATE PERVERSE AND ABSURD TAXES AND
17 DISINCENTIVES ON CHARITABLE GIVING; AND
18 TO EXEMPT CERTAIN WITHDRAWALS OF STOCK
19 FROM THE SALES AND USE TAX.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 26-52-322(b)(2), concerning withdrawals
26 from stock, is amended to read as follows:

27 (2) For purposes of calculating the gross receipts tax or the
28 compensating use tax under subdivision (b)(1) of this section, the gross
29 receipts or gross proceeds for a withdrawal from stock is ~~the~~:

30 (A) The value of any the goods, wares, merchandise, or
31 tangible personal property withdrawn if the goods, wares, merchandise, or
32 tangible personal property:

33 (i) Were withdrawn for consumption or use in the
34 established business; or

35 (ii) Are alcoholic beverages or tobacco products; or

36 (B) Zero dollars (\$0.00) if the goods, wares, merchandise,



1 or tangible personal property, other than alcoholic beverages or tobacco
2 products, were withdrawn for consumption or use by a:

3 (i) Nonprofit organization described in 26 U.S.C. §
4 501(c)(3), as it existed on January 1, 2019;

5 (ii) Public educational institution;

6 (iii) Nonprofit church; or

7 (iv) Private individual who has suffered damage or
8 loss as the result of a natural disaster if:

9 (a) The private individual receiving the
10 goods, wares, merchandise, or tangible personal property resides in an area
11 of the state that the Governor has officially declared to be a disaster area;
12 and

13 (b) A representative of the established
14 business provides a sworn affidavit to the Department of Finance and
15 Administration with the report required under § 26-52-501 describing in
16 detail the goods, wares, merchandise, or tangible personal property withdrawn
17 and the disaster area in which each recipient of the withdrawn goods, wares,
18 merchandise, or tangible personal property resides.

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20 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the
21 first day of the calendar quarter following the effective date of this act.
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24 **APPROVED: 3/29/19**
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