

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

# A Bill

HOUSE BILL 1903

5 By: Representative Hawks  
6

## For An Act To Be Entitled

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

## Subtitle

15  
16 TO EXEMPT THE PURCHASE OF DIGITAL BOOKS  
17 AND ELECTRONIC SUBSCRIPTIONS FROM SALES  
18 AND USE TAX WHEN PURCHASED BY A PUBLIC  
19 SCHOOL OR LIBRARY.  
20  
21

22  
23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

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

27 26-52-453. Digital books and electronic subscriptions – Definitions.

28 (a) As used in this section:

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

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

33 (A) Newspaper; or

34 (B) Periodical, whether purchased individually or as a  
35 set; and

36 (3) "Library" means an organization or part of an organization



1 that:

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

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

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

10  
11 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the  
12 first day of the second calendar month following the effective date of this  
13 act.