

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

SENATE BILL 262

5 By: Senators A. Clark, Bledsoe, Burnett, Caldwell, J. Dismang, J. English, J. Hendren, Hester, Holland, J.
6 Hutchinson, Irvin, J. Key, B. King, Maloch, B. Pierce, Rapert, B. Sample, D. Sanders, G. Stubblefield, E.
7 Williams, J. Woods
8 By: Representatives Lea, Bragg, Cozart, Dotson, Vines, Westerman
9

For An Act To Be Entitled

11 AN ACT TO FACILITATE AND ENCOURAGE CHARITABLE
12 DONATIONS; TO EXEMPT FROM THE SALES AND USE TAX
13 SELLERS' DONATIONS OF TANGIBLE PERSONAL PROPERTY TO
14 CHARITABLE ORGANIZATIONS OR FOR CHARITABLE CAUSES;
15 AND FOR OTHER PURPOSES.
16
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Subtitle

19 TO FACILITATE AND ENCOURAGE CHARITABLE
20 DONATIONS; AND TO EXEMPT FROM THE SALES
21 AND USE TAX SELLERS' DONATIONS OF
22 TANGIBLE PERSONAL PROPERTY TO CHARITABLE
23 ORGANIZATIONS OR FOR CHARITABLE CAUSES.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is amended to
29 add an additional section to read as follows:

30 26-52-446. Seller donations to charitable organizations.

31 (a) The gross receipts or gross proceeds derived from tangible
32 personal property, other than alcoholic beverages, withdrawn from the stock
33 of a seller are exempt from the gross receipts tax levied by the Arkansas
34 Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax
35 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., if
36 the tangible personal property withdrawn from the stock of the seller is



1 donated to a charitable organization or for a charitable cause.

2 (b) As used in this section:

3 (1) "Charitable cause" means a philanthropic purpose that
4 benefits one (1) or more private individuals who:

5 (A) Are not related within one (1) degree of consanguinity
6 to the seller donating the tangible personal property or to an individual who
7 is employed by the seller donating the tangible personal property; and

8 (B) Either:

9 (i) Use the donated tangible personal property in
10 recovering from a natural disaster, including without limitation a tornado,
11 earthquake, flood, storm, or fire; or

12 (ii) Meet the following criteria:

13 (a) Are indigent or have a disability; and

14 (b) Use the donated tangible personal property
15 for purposes that would otherwise be served by a charitable organization; and

16 (2)(A) "Charitable organization" means an organization:

17 (i) Created for the purpose of philanthropic,
18 educational, humanitarian, or religious pursuits rather than pecuniary
19 pursuits; and

20 (ii) That employs the organization's resources to
21 philanthropic, educational, humanitarian, or religious pursuits.

22 (B) "Charitable organization" includes without limitation
23 a nonprofit corporation or association organized under the laws of this state
24 or qualified under 26 U.S.C. § 501(c)(3), as it existed on January 1, 2013.

25 (c) The Director of the Department of Finance and Administration may
26 promulgate rules to implement this section.

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28 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the
29 first day of the second calendar month following the effective date of this
30 act.