| 1      | State of Arkansas   | As Engrossed: H3/29/23 $f A \ Bill$   |                          |
|--------|---|---------------------------------------|--------------------------|
| 2      | 94th General Assembly   | A Bill                                | HOUSE DILL 1246          |
| 3      | Regular Session, 2023   |                                       | HOUSE BILL 1346          |
| 4<br>5 | By: Penresentatives Toch Fo                                   | Th/as                                 |                          |
| 6      | By: Representatives Tosh, <i>Eaves</i> By: Senator D. Wallace |                                       |                          |
| 7      | By. Schatol D. Wallace  |                                       |                          |
| 8      | For An Act To Be Entitled                                     |                                       |                          |
| 9      | AN ACT TO AMEND STATE SALES AND USE TAX LAW; TO               |                                       |                          |
| 10     | CREATE A SALES AND USE TAX EXEMPTION FOR THE PURCHASE         |                                       |                          |
| 11     | OF A BUSINESS VEHICLE BY A FOOD PANTRY; TO CREATE A           |                                       |                          |
| 12     | ONE-TIME REBATE OF STATE SALES AND USE TAX FOR THE            |                                       |                          |
| 13     | PURCHASE OF A BUSINESS VEHICLE IN 2022 BY A FOOD              |                                       |                          |
| 14     | PANTRY; AN  | ND FOR OTHER PURPOSES.                |                          |
| 15     |   |                                       |                          |
| 16     |   |                                       |                          |
| 17     |   | Subtitle                              |                          |
| 18     | TO C  | REATE A SALES AND USE TAX EXEMPTION   |                          |
| 19     | FOR   | THE PURCHASE OF A BUSINESS VEHICLE BY | 7                        |
| 20     | A FO  | OD PANTRY; AND TO CREATE A ONE-TIME   |                          |
| 21     | REBA  | TE OF STATE SALES AND USE TAX FOR THE |                          |
| 22     | PURCHASE OF A BUSINESS VEHICLE IN 2022 BY                     |                                       |                          |
| 23     | A FO  | OD PANTRY.                            |                          |
| 24     |   |                                       |                          |
| 25     |   |                                       |                          |
| 26     | BE IT ENACTED BY THE (  | GENERAL ASSEMBLY OF THE STATE OF ARKA | NSAS:                    |
| 27     |   |                                       |                          |
| 28     | SECTION 1. Arka   | ansas Code Title 26, Chapter 52, Subc | hapter 4, is             |
| 29     | amended to add an additional section to read as follows:      |                                       |                          |
| 30     | 26-52-455. Food   | d pantry purchase of a business vehic | <u>le - Definitions.</u> |
| 31     | (a) As used in this section:                                  |                                       |                          |
| 32     | (1) "Business vehicle" means a motor vehicle that is:         |                                       |                          |
| 33     | (A) Purchased by a food pantry to deliver food to             |                                       |                          |
| 34     | recipients of the food  | d pantry's service; and               |                          |
| 35     | (B) Not used for the personal commuting of a staff member     |                                       |                          |
| 36     | or executive at the fo  | ood pantry; and                       |                          |

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| 1  | (2) "Food pantry" means a nonprofit corporation whose mission is            |  |  |
|----|---|--|--|
| 2  | to distribute food to people who have difficulty purchasing enough food to  |  |  |
| 3  | avoid hunger.   |  |  |
| 4  | (b) The gross receipts or gross proceeds derived from the sale of a         |  |  |
| 5  | business vehicle to a food pantry are exempt from the gross receipts tax    |  |  |
| 6  | levied by this chapter and the compensating use tax levied by the Arkansas  |  |  |
| 7  | Compensating Tax Act of 1949, § 26-53-101 et seq.                           |  |  |
| 8  | (c) The Secretary of the Department of Finance and Administration           |  |  |
| 9  | shall promulgate rules and prescribe forms for claiming the exemption as    |  |  |
| 10 | provided by this section.   |  |  |
| 11 |   |  |  |
| 12 | SECTION 2. DO NOT CODIFY. TEMPORARY LANGUAGE.                               |  |  |
| 13 | (a) A food pantry that purchased a business vehicle in 2022 and that        |  |  |
| 14 | paid sales or use tax on the purchase is eligible for a rebate of the state |  |  |
| 15 | sales or use tax paid.  |  |  |
| 16 | (b) The food pantry shall apply for the rebate with the Department of       |  |  |
| 17 | Finance and Administration on a form the department has approved.           |  |  |
| 18 | (c) This section is retroactive to purchases between January 1, 2022        |  |  |
| 19 | and December 31, 2022.  |  |  |
| 20 | (d) The rebate request shall be submitted to the department by the          |  |  |
| 21 | food pantry no later than December 31, 2023.                                |  |  |
| 22 |   |  |  |
| 23 | SECTION 3. EFFECTIVE DATES.   |  |  |
| 24 | Sections 1 and 2 of this act are effective on the first day of the          |  |  |
| 25 | second calendar month following the effective date of this act.             |  |  |
| 26 |   |  |  |
| 27 | /s/Tosh   |  |  |
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