

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB853**

**Bill Subtitle: TO CREATE AN EXEMPTION FROM THE SALES AND USE TAX FOR DENTAL APPLIANCES SOLD BY OR TO DENTISTS OR CERTAIN OTHER PROFESSIONALS.**

---

### Basic Change :

Senator Teague

The bill enacts a sales and use tax exemption for the sale of a dental appliances to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist. A dental appliance is defined as a dental device that is made for a specific patient, including without limitation a dental implant, orthodontic appliance, retainer, crown, bridge, or denture. The proposal would be effective on the first day of the calendar quarter following the effective date of the act.

### Revenue Impact :

#### FY14 Tax Decrease

Total Impact to State Revenues - **\$1.34 million**  
[ 8 Months of Reduced Tax Collections --- 10/1/2013 Effective Date ]

-\$ .90 million --- State General Revenue (4.5%)  
-\$ .17 million --- Educational Adequacy (.875% tax)  
-\$ .10 million --- Property Tax Relief Trust Fund (.5%)  
-\$ .02 million --- Conservation Tax (.125%)  
-\$ .10 million --- Highway Fund (.5%)  
-\$ 0 --- Educational Excellence Trust Fund  
-\$ 0 --- Educational Adequacy (GR transfer)  
-\$ .03 million --- State Central Services  
-\$ .01 million --- Constitutional Officers  
Total Impact to City and County Sales Tax - \$470,000

#### FY15 Tax Decrease

Total Impact to State Revenues - **\$2.10 million**

-\$1.27 million --- State General Revenue (4.5%)  
-\$ .27 million --- Educational Adequacy (.875% tax)  
-\$ .16 million --- Property Tax Relief Trust Fund (.5%)  
-\$ .04 million --- Conservation Tax (.125%)  
-\$ .16 million --- Highway Fund (.5%)  
-\$ .13 million --- Educational Excellence Trust Fund  
-\$ .01 million --- Educational Adequacy (GR transfer)  
-\$ .03 million --- State Central Services  
-\$ .01 million --- Constitutional Officers  
Total Impact to City and County Sales Tax - \$680,000

### Taxpayer Impact :

Taxpayers would be required to program accounting systems to allow for the exemption.

### Resources Required :

None

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB853**

**Bill Subtitle: TO CREATE AN EXEMPTION FROM THE SALES AND USE TAX FOR DENTAL APPLIANCES SOLD BY OR TO DENTISTS OR CERTAIN OTHER PROFESSIONALS.**

---

**Time Required :**

Adequate time is allowed in the proposal.

**Procedural Changes :**

Education of staff and a revision of the rules to allow for the exemption.

**Legal Analysis :**

SB853 provides that a dental device must be made for a specific patient. In the current dental code, A.C.A. 17-82-101, et seq., dentists must provide a patient's name or ID number when they order these types of devices from a fabricator. A.C.A. 17-82-105. Therefore, this exemption is in line with current law and should not create additional burden to the dentist to comply with the requirements of the exemption.

The exemption is effective on the first day of the calendar quarter following the effective date of the act.