

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1641

Bill Subtitle: TO PROVIDE A SALES AND USE TAX EXEMPTION FOR SALES TO THE YOUNG MEN'S CHRISTIAN ASSOCIATION; AND TO DECLARE AN EMERGENCY.

Basic Change :

Sponsors: Reps. Warren and Cozart

HB1641 provides a sales and use tax exemption for sales to the Young Men's Christian Association (YMCA). Arkansas law imposes sales and use tax on all sales of tangible personal property and taxable services to charitable organizations unless a tax exemption has been enacted for the specific organization. HB1641 provides that sales to the YMCA will be exempt from sales and use tax.

The bill contains an emergency clause and will be effective immediately upon passage and approval.

Revenue Impact :

FY2021

Total Approximate State Sales and Use Tax Loss \$ - 4,333

(Estimated Effective Date 4/1/21 --- 2 months reduced tax collection)

General Revenue - 4.5%	\$ - 2,907
Property Tax Relief - .5%	\$ - 323
Conservation Fund - .125%	\$ - 81
Educational Adequacy Fund - .875%	\$ - 565
Highway Fund - .5%	\$ - 323
Educational Excellence Trust Fund -	\$ - .000
Educational Adequacy (GR Transfer) -	\$ - .000
State Central Services -	\$ - 91
Constitutional Officers -	\$ - 43

Total Approximate Local City and County Sales and Use Tax Loss \$ - 2,000

FY2022

Total Approximate State Sales and Use Tax Loss \$ - 26,000

General Revenue - 4.5%	\$ - 15,635
Property Tax Relief - .5%	\$ - 1,938
Conservation Fund - .125%	\$ - 485
Educational Adequacy Fund - .875%	\$ - 3,392
Highway Fund - .5%	\$ - 1,938
Educational Excellence Trust Fund -	\$ - 1,660
Educational Adequacy (GR Transfer) -	\$ - 147
State Central Services -	\$ - 546
Constitutional Officers -	\$ - 260

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1641

Bill Subtitle: TO PROVIDE A SALES AND USE TAX EXEMPTION FOR SALES TO THE YOUNG MEN'S CHRISTIAN ASSOCIATION; AND TO DECLARE AN EMERGENCY.

**Total Approximate Local City and
County Sales and Use Tax Loss**

\$ - 12,000

Taxpayer Impact :

Taxable sales of tangible personal property, services, specified digital products, or digital codes to the YMCA would be exempt from sales or use tax.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Updates to the Sales and Use Tax Rules will need to be promulgated.

Other Comments :

None.

Legal Analysis :

None.