

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

INTERIM STUDY PROPOSAL 2007-240

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

MMC/MMC
SENATE BILL

By: Senator Altes
By: Representatives Glidewell, Medley, Walters, Wells

Filed with: Senate Interim Committee on Revenue and Taxation
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO CREATE A BACK-TO-SCHOOL TAX-FREE
HOLIDAY BY EXEMPTING ITEMS OF CLOTHING FROM SALES
AND USE TAX DURING A LIMITED TIME PERIOD; AND FOR
OTHER PURPOSES.

Subtitle

TO CREATE A BACK-TO-SCHOOL TAX-FREE
HOLIDAY BY EXEMPTING ITEMS OF CLOTHING
FROM SALES AND USE TAX DURING A LIMITED
TIME PERIOD.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

26-52-441. Sales tax holiday for clothing.

(a) As used in this section, "clothing" means all human wearing
apparel suitable for general use.

(b) The gross receipts or gross proceeds derived from the sale of
clothing is exempt from the gross receipts tax levied by the Arkansas Gross
Receipts Act of 1941, § 26-52-101 et seq. and the compensating use tax levied
by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., every year
from 12:01 a.m. until 11:59 p.m. on the first Saturday in August.

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1 (c) The exemption in subsection (b) of this section does not apply to:

2 (1) An item of clothing in which the gross receipts or gross
3 proceeds paid for the item of clothing exceeds seventy-five dollars (\$75.00);

4 (2) Sport or recreational equipment that is worn in conjunction
5 with an athletic or recreational activity and is not suitable for general
6 use;

7 (3) Clothing accessories or equipment and similar items worn on
8 the person or in conjunction with clothing; and

9 (4) Protective equipment that is worn and designed as protection
10 of the wearer against injury or disease or as protection against damage or
11 injury of other persons or property and is not suitable for general use.

12 (d) The Department of Finance and Administration shall promulgate
13 rules to implement this section.

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15 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
16 General Assembly of the State of Arkansas that clothing school children is
17 very costly; that the cost of clothing school children is always increasing;
18 that to help defray the cost of clothing school children a sales tax holiday
19 on the sale of clothing is necessary; and that in order to ensure that
20 families are able to enjoy this exemption when purchasing school clothes for
21 the upcoming school year this act should become effective on June 1, 2007.
22 Therefore, an emergency is declared to exist and this act being necessary for
23 the preservation of the public peace, health, and safety shall become
24 effective on June 1, 2007.

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36 Filed Date: 10/16/2008 By: MMC\RCK