

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1490**

**Bill Subtitle: TO CREATE A SALES AND USE TAX EXEMPTION FOR THE ARKANSAS MUSEUM OF FINE ARTS.**

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### Basic Change :

**Sponsor: Rep. Collins**

HB1490 amends § 26-52-401 to create a sales and use tax exemption for sales of tangible personal property, specified digital products, a digital code, or a service to the Arkansas Museum of Fine Arts. HB1490 is effective on the first day of the calendar quarter following the effective date of the act. For purposes of the revenue impact below, an effective date of October 1, 2023 is assumed.

### Revenue Impact :

#### **FY2024**

**Total Approximate State Sales and Use Tax Loss \$ - 13,000**

(Estimated Effective Date 10/1/23 --- 8 months reduced tax collection)

General Revenue - 4.5%	\$ - 8,721
Property Tax Relief - .5%	\$ - 969
Conservation Fund - .125%	\$ - 242
Educational Adequacy Fund - .875%	\$ - 1,696
Highway Fund - .5%	\$ - 1,000
Educational Excellence Trust Fund -	\$ - 0.00
Educational Adequacy (GR Transfer) -	\$ - 0.00
State Central Services -	\$ - 252
Constitutional Officers -	\$ - 120

**Total Approximate Local City and County Sales and Use Tax Loss \$ - 4,333**

#### **FY2025**

**Total Approximate State Sales and Use Tax Loss \$ - 19,000**

General Revenue - 4.5%	\$ - 11,404
Property Tax Relief - .5%	\$ - 1,416
Conservation Fund - .125%	\$ - 354
Educational Adequacy Fund - .875%	\$ - 2,478
Highway Fund - .5%	\$ - 1,462
Educational Excellence Trust Fund -	\$ - 1,233
Educational Adequacy (GR Transfer) -	\$ - 109
State Central Services -	\$ - 368
Constitutional Officers -	\$ - 175

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

**\$ - 6,333**

**Taxpayer Impact :**

The Arkansas Museum of Fine Arts would no longer pay sales or use tax on its purchases of tangible personal property, specified digital products, a digital code, or services. The museum would still be responsible for collecting and remitting sales and use tax on its own taxable sales to customers of the museum.

**Resources Required :**

Programming for the Arkansas Integrated Revenue System (AIRS) will be required at an estimated cost of \$8,000.00.

**Time Required :**

Adequate time is provided for implementation.

**Procedural Changes :**

Updates to the sales and use tax rules will be promulgated.

**Other Comments :**

None.

**Legal Analysis :**

None.