



State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement

Bill: SB535

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

Sponsors:

Sens. Hester, Boyd, Bryant, Crowell, Davis, Dismang, English, Flippo, Flowers, Hammer, Irvin, B. Johnson, M. Johnson, Leding, Love, Petty, Scott, Tucker, and Wallace

Reps. Evans, Allen, Barnes, Barnett, Beaty, Bentley, Berry, Breaux, K. Brown, M. Brown, Childress, Clowney, Collins, Cozart, Dalby, Duffield, Eaves, Ennett, Ferguson, Furman, Gazaway, Gonzales Worthen, Gramlich, Hawk, Henley, Holcomb, Hollowell, Hudson, Johnson, Lundstrum, Maddox, Magie, McCollum, McCullough, McElroy, McGruder, B. McKenzie, J. Moore, K. Moore, Painter, Pearce, Puryear, Rye, T. Shephard, M. Shepherd, Springer, Steele, Tosh, Unger, Vaught, Warren, Wing, Wooldridge, and Wooten

Basic Change:

SB535 creates 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 or the Arkansas Museum of Fine Arts Foundation.

SB535 is effective on the first day of the calendar quarter following the effective date of the act.

Fiscal Impact:

FY2026

Total Approximate State Sales and Use Tax Loss **-\$27,762**

(Estimated Effective Date 10/1/2025 --- 8 months reduced tax collection)

| | |
|--------------------------------------|-----------|
| General Revenue - 4.5% | -\$18,643 |
| Property Tax Relief - .5% | -\$2,071 |
| Conservation Fund - .125% | -\$518 |
| Educational Adequacy Fund - .875% | -\$3,625 |
| Highway Fund - .5% | -\$2,136 |
| Educational Excellence Trust Fund - | \$0 |
| Educational Adequacy (GR Transfer) - | \$0 |
| State Central Services - | -\$513 |
| Constitutional Officers - | -\$256 |

Total Approximate Local City and County Sales and Use Tax Loss **-\$14,095**



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FY2027

| | |
|---|------------------|
| Total Approximate State Sales and Use Tax Loss | -\$42,892 |
| General Revenue - 4.5% | -\$25,934 |
| Property Tax Relief - .5% | -\$3,200 |
| Conservation Fund - .125% | -\$800 |
| Educational Adequacy Fund - .875% | -\$5,601 |
| Highway Fund - .5% | -\$3,299 |
| Educational Excellence Trust Fund - | -\$2,636 |
| Educational Adequacy (GR Transfer) - | -\$233 |
| State Central Services - | -\$792 |
| Constitutional Officers - | -\$396 |
| Total Approximate Local City and County Sales and Use Tax Loss | -\$21,776 |

Taxpayer Impact:

The Arkansas Museum of Fine Arts or the Arkansas Museum of Fine Arts Foundation would no longer pay sales or use tax on purchases.

Resources Required:

None.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

Computer programs, websites and staff training manuals will need to be updated to account for the changes.

Other Comments:

None.

Legal Analysis:

None.