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.

1	INTERIM STUDY PROPOSAL 2007-017
2	State of Arkansas As Engrossed: H2/6/07
3	86th General Assembly A Bill
4	Regular Session, 2007 HOUSE BILL 1029
5	
6	By: Representatives Hall, Webb
7	Referred to
8	Revenue & Taxation- House
9	by the House of Representatives
0	on 03/29/2007
1	
12	
13	For An Act To Be Entitled
14	AN ACT TO CREATE A BACK-TO-SCHOOL TAX-FREE
15	HOLIDAY BY EXEMPTING ITEMS OF CLOTHING, FOOTWEAR,
16	AND SCHOOL SUPPLIES FROM SALES AND USE TAX DURING
17	A LIMITED TIME PERIOD; AND FOR OTHER PURPOSES.
18	
19	Subtitle
20	TO CREATE A BACK-TO-SCHOOL TAX-FREE
21	HOLIDAY BY EXEMPTING ITEMS OF CLOTHING,
22	FOOTWEAR, AND SCHOOL SUPPLIES FROM SALES
23	AND USE TAX DURING A LIMITED TIME
24	PERI OD.
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27	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
28	
29	SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
30	to add an additional section to read as follows:
31	26-52-441. Sales tax holiday.
32	(a) As used in this section:
33	(1) "Clothing" means all human wearing apparel suitable for
34	general use including footwear;
35	(2) "Clothing accessory or equipment" means an incidental item
36	that is not clothing worn on the person or in conjunction with clothing

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1	(3) "Computer" means an electronic device that accepts
2	information in digital or similar form and manipulates it for a result based
3	on a sequence of instructions;
4	(4) "Computer software" means a set of coded instructions
5	designed to cause a computer or automatic data processing equipment to
6	perform a task;
7	(5) "Protective equipment" means an item for human wear designed
8	for protection of the wearer against injury or disease or as protection
9	against damage or injury of other persons or property but not suitable for
10	general use;
11	(6) "School computer supply" means an item commonly used by a
12	student in a course of study in which a computer is used;
13	(7) "School instructional material" means written material or a
14	book commonly used by a student in a course of study as a reference to learn
15	the subject being taught;
16	(8) "School supply" means an item commonly used by a student in
17	<u>a course of study; and</u>
18	(9) "Sport or recreational equipment" means an item designed for
19	human use and worn in conjunction with an athletic or recreational activity
20	that is not suitable for general use.
21	(b) Except as limited under subsection (c) of this section, the
22	following items are exempt from the excise tax imposed by this chapter every
23	year for a seventy-two hour (72-hour) period beginning at 12:00 a.m. on the
24	first Friday in August and ending at 12:00 a.m. on the following Monday:
25	(1) Cl othi ng;
26	(2) A school supply;
27	(3) A computer, computer software, and school computer supply;
28	<u>and</u>
29	(4) School instructional material.
30	(c) Subsection (b) of this section does not apply to:
31	(1) A single item of clothing with a sales price exceeding one
32	hundred dollars (\$100);
33	(2) A single school supply with a sales price that exceeds one
34	hundred dollars (\$100);
35	(3) Clothing accessory or equipment;
36	(4) Sport or recreational equipment;

1	<u>(5) Protective equipment;</u>
2	(6) The rental of clothing; and
3	(7) A single purchase of a computer, computer software, and any
4	school computer supply with a sales price exceeding seven hundred fifty
5	dollars (\$750).
6	(d) The Department of Finance and Administration shall promulgate
7	rules that do not conflict with the Streamlined Sales and Use Tax Agreement
8	to implement this section including without limitation a list of specific
9	articles and items qualifying for the exemption pursuant to this section.
10	
11	SECTION 2. <u>EMERGENCY CLAUSE</u> . It is found and determined by the
12	General Assembly of the State of Arkansas that preparing children to return
13	to school is very costly and that to help defray the cost a sales tax holiday
14	on the sale of clothing, footwear, and school supplies is necessary.
15	Therefore, an emergency is declared to exist and this act being necessary for
16	the preservation of the public peace, health, and safety shall become
17	effective on July 1, 2007.
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19	/s/ Hall, et al
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