

INTERIM STUDY PROPOSAL 2009-219

1  
2 State of Arkansas  
3 87th General Assembly  
4 First Extraordinary Session, 2010

**A Bill**

Call Item ##  
MMC/CDS  
SENATE BILL

5  
6 By: Senator Altes

7  
8 Filed with: Senate Committee on Revenue and Taxation  
9 pursuant to A.C.A. §10-3-217.

10  
11 **For An Act To Be Entitled**

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

16  
17 **Subtitle**

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

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

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

28 26-52-442. Sales tax holiday for clothing.

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

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

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

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

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

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

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

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

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14           SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
15 General Assembly of the State of Arkansas that clothing school children is  
16 very costly; that the cost of clothing school children is always increasing;  
17 that to help defray the cost of clothing school children a sales tax holiday  
18 on the sale of clothing is necessary; and that in order to ensure that  
19 families are able to enjoy this exemption when purchasing school clothes for  
20 the upcoming school year this act should become effective on June 1, 2009.  
21 Therefore, an emergency is declared to exist, and this act being necessary  
22 for the preservation of the public peace, health, and safety shall become  
23 effective on June 1, 2009.