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INTERIM STUDY PROPOSAL 2013-143  
*As Engrossed: H3/26/13 H4/17/13*

State of Arkansas  
89th General Assembly  
Regular Session, 2013

# A Bill

HOUSE BILL 1980

By: Representative Sabin

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

## For An Act To Be Entitled

AN ACT TO AMEND AND EXPAND THE ARKANSAS ARTS AND  
CULTURAL DISTRICTS ACT; TO CREATE TAX INCENTIVES  
RELATED TO ARTS AND CULTURAL DISTRICTS; AND FOR OTHER  
PURPOSES.

## Subtitle

TO AMEND AND EXPAND THE ARKANSAS ARTS AND  
CULTURAL DISTRICTS ACT; AND TO CREATE TAX  
INCENTIVES RELATED TO ARTS AND CULTURAL  
DISTRICTS.

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

*SECTION 1. Arkansas Code § 15-11-905 is amended to read as follows:  
15-11-905. Rules – Fees.*

*The Arkansas Arts Council shall:*

- (1) Shall promulgate rules to implement this subchapter; and*
- (2) May charge a reasonable application fee for processing*

*applications under this subchapter.*

*SECTION 2. Arkansas Code Title 15, Chapter 11, Subchapter 9, is  
amended to add an additional section to read as follows:*

*15-11-906. Tax incentives.*

*In an arts and cultural district, each qualifying residing artist is  
eligible for an income tax exemption under § 26-51-313.*

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*SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 3, is amended to add an additional section to read as follows:*

26-51-313. Income from sale of artistic works.

(a) As used in this section, "artistic work", "arts and cultural district", and "qualifying residing artist" are defined the same as in § 15-11-902.

(b)(1) Income from the sale, publication, or production of an artistic work written, composed, executed, or created within an arts and cultural district by a qualified residing artist is exempt from the income tax levied under the Income Tax Act of 1929, § 26-51-101 et seq.

(2) The exemption allowed under this section includes income derived from Internet, mail-order, and catalog sales of artistic works that are shipped from within the arts and cultural district to purchasers outside the arts and cultural district if the qualifying residing artist created the artistic work within the arts and cultural district.

*SECTION 3. EFFECTIVE DATE. This act is effective for tax years beginning on or after January 1, 2013.*

*/s/Sabin*

Referred by the Arkansas House of Representatives  
Prepared by: JLL/VJF