

1 INTERIM STUDY PROPOSAL 2015-090

2 State of Arkansas

*As Engrossed: S3/17/15*

3 90th General Assembly

**A Bill**

4 Regular Session, 2015

SENATE BILL 560

5  
6 By: Senators A. Clark, *Hester, J. Hutchinson, B. King, Maloch, G. Stubblefield*

7 *By: Representatives Gates, Ballinger, Bentley, Brown, Copeland, Harris, Lemons, J. Mayberry, B. Smith*

8 Filed with: Senate Committee on Revenue and Taxation

9 pursuant to A.C.A. §10-3-217.

10 **For An Act To Be Entitled**

11 AN ACT TO ENCOURAGE CHARITABLE GIVING AND ELIMINATE  
12 PERVERSE AND ABSURD TAXES AND DISINCENTIVES ON  
13 CHARITABLE GIVING; TO EXEMPT CERTAIN WITHDRAWALS OF  
14 STOCK FROM THE SALES AND USE TAX; AND FOR OTHER  
15 PURPOSES.

16  
17  
18 **Subtitle**

19 TO ENCOURAGE CHARITABLE GIVING AND  
20 ELIMINATE PERVERSE AND ABSURD TAXES AND  
21 DISINCENTIVES ON CHARITABLE GIVING; AND  
22 TO EXEMPT CERTAIN WITHDRAWALS OF STOCK  
23 FROM THE SALES AND USE TAX.

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

27  
28 SECTION 1. Arkansas Code § 26-52-322(b)(2), concerning withdrawals  
29 from stock, is amended to read as follows:

30 (2) For purposes of calculating the gross receipts tax or the  
31 compensating use tax under subdivision (b)(1) of this section, the gross  
32 receipts or gross proceeds for a withdrawal from stock is ~~the:~~

33 (A) The value of any the goods, wares, merchandise, or  
34 tangible personal property withdrawn if the goods, wares, merchandise, or  
35 tangible personal property:

1                    (i) Were withdrawn for consumption or use in the  
2 established business; or

3                    (ii) Are alcoholic beverages or tobacco products; or

4                    (B) Zero dollars (\$0.00) if the goods, wares, merchandise,  
5 or tangible personal property, other than alcoholic beverages or tobacco  
6 products, were withdrawn for consumption or use by a:

7                    (i) Nonprofit organization described in 26 U.S.C. §  
8 501(c)(3), as it existed on January 1, 2015;

9                    (ii) Public educational institution;

10                   (iii) Nonprofit church; or

11                   (iv) Private individual who has suffered damage or  
12 loss as the result of a natural disaster if:

13                   (a) The private individual receiving the  
14 goods, wares, merchandise, or tangible personal property resides in an area  
15 of the state that the Governor has officially declared to be a disaster area;  
16 and

17                   (b) A representative of the established  
18 business provides a sworn affidavit to the Department of Finance and  
19 Administration with the report required under § 26-52-501 describing in  
20 detail the goods, wares, merchandise, or tangible personal property withdrawn  
21 and the disaster area in which each recipient resides.

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23                   SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the  
24 first day of the calendar quarter following the effective date of this act.

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26                   */s/A. Clark*

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29 Referred by the Arkansas Senate

30 Prepared by: VJF