

**SUMMARY OF PROPOSAL #2**  
*for consideration by the*  
**ARKANSAS TAX REFORM AND RELIEF LEGISLATIVE TASK FORCE**

**TOPIC: Sales Tax Exemption for Sales of Newspapers**

**Summary of Proposal for Consideration**

To repeal the sales tax exemption on the sale of newspapers under Arkansas Code § 26-52-401(4), effective for tax years beginning on or after January 1, 2019.

**Fiscal Analysis**

Repeal of the exemption may result in an estimated \$1,861,103 per year increase to General Revenue based upon FY17, as provided by the Department of Finance and Administration's "Sales and Use Tax Revenue Impact of Exemptions" presentation to the Arkansas Tax Reform and Relief Legislative Task Force on March 19, 2018.

**Legal Analysis**

***Background***

Arkansas currently has a sales tax exemption on the sale of newspapers.

ACT 386 of 1941 created the sales tax exemption on the sale of newspapers, and has not been amended since.

***Potential Legal Issues***

None.

***Other States***

- Iowa: Sales tax exemption on sales of newspapers. (IA St. § 423.3)
- Louisiana: Sales tax exemption on sales of newspapers. (LA St. § 47:301)
- Mississippi: Sales tax exemption on sales of newspapers. (MS St. § 27-65-111)
- Missouri: Sales tax exemption on sales of newspapers. (MO St. §144.030.2)
- Oklahoma: Sales tax exemption on sales of newspapers. (OK St. 27 §1354)
- Tennessee: Sales tax exemption on sales of newspapers. (TN St. § 67-6-329)
- Texas: Sales tax exemption on sales of newspapers. (TX St. § 151.319)