

Arkansas Tax Reform and Relief Legislative Task Force

Sales Tax Exemption Proposals, April 25-26, 2018

The following items were approved by the Task Force ***as recommendations to be included in the final report:***

- Legislative Review: (Motion by Hendren/Jett) Proposal for regularly occurring legislative review process of all sales tax exemptions.
- **Sales Tax Proposal #A: Local Sales Tax:** (Motion by Hendren) Proposal to clearly define local sales tax levels including a cap on those levels.

The following items were approved by the Task Force ***for further study, development, and consideration,*** regarding sales tax exemptions:

- **Sales Tax Proposal #8: Coin-Operated Car Washes:** (Motion by Hester) Proposal to repeal the sales tax exemption for services provided by coin-operated car washes where labor is performed solely by the customer or mechanical equipment.
- **Sales Tax Proposal #9: 4-Wheelers/ATVs:** (Motion by Hester) Proposal to repeal the sales tax exemption on sales of four-wheelers and all-terrain vehicles (ATVs) for farm use.
- **WITHDRAWN: Sales Tax Holiday:** (Motion by Pitsch) Proposal to repeal the back-to-school tax holiday for school supplies, clothing and clothing accessories on the first weekend in August.
- **Sales Tax Proposal #16: Exemptions Under \$10k:** (Motion by Pitsch for Cavanaugh) Proposal to repeal any sales tax exemption less than ten thousand dollars (\$10,000).
- **Sales Tax Proposal #17: Named Entities:** (Motion by Irvin) Proposal to refine how entities qualifying for tax exemptions are defined, in order to avoid constitutional implications of named entities.
- **Sales Tax Proposal #41: Magazine/Publication Subscription Sales:** (Motion by Hendren) Proposal to repeal the sales tax exemption on the sale of any publication, other than newspapers, through regular subscription.
- **WITHDRAWN: Food Tax/EITC/Sales Tax Credit:** (Motion by Jean) Proposal regarding possible partial repeal of the sales tax exemption on food and food ingredients, in combination with an earned income tax credit or sales tax credit.