

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

As Engrossed: H3/26/13

A Bill

HOUSE BILL 1980

5 By: Representative Sabin
6

For An Act To Be Entitled

8 AN ACT TO AMEND AND EXPAND THE ARKANSAS ARTS AND
9 CULTURAL DISTRICTS ACT; TO CREATE TAX INCENTIVES
10 RELATED TO ARTS AND CULTURAL DISTRICTS; AND FOR OTHER
11 PURPOSES.
12
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Subtitle

14 TO AMEND AND EXPAND THE ARKANSAS ARTS AND
15 CULTURAL DISTRICTS ACT; AND TO CREATE TAX
16 INCENTIVES RELATED TO ARTS AND CULTURAL
17 DISTRICTS.
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20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 *SECTION 1. Arkansas Code Title 15, Chapter 11, Subchapter 9, is*
24 *amended to add an additional section to read as follows:*

25 *15-11-906. Tax incentives.*

26 *In an arts and cultural district:*

27 *(1) Each qualifying residing artist is eligible for an income*
28 *tax exemption under § 26-51-313; and*

29 *(2) Each artistic work is eligible for the sales and use tax*
30 *exemption under § 26-52-446.*
31

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

34 *26-51-313. Income from sale of artistic works.*

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



1 11-902.

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

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

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12 SECTION 3. Arkansas Code Title 26, Chapter 52, Subchapter 4, is
13 amended to add an additional section to read as follows:

14 26-52-446. Sales by qualifying residing artists and galleries.

15 (a) As used in this section, "artistic work", "arts and cultural
16 district", and "qualifying residing artist" are defined the same as in § 15-
17 11-902.

18 (b) The gross receipts or gross proceeds derived from the sale of the
19 following artistic works are exempt from the gross receipts tax levied by the
20 Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the
21 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §
22 26-53-101 et seq.:

23 (1) An artistic work created by a qualified residing artist
24 within the arts and cultural district; and

25 (2) An original, one-of-a-kind artistic work sold by a gallery
26 within an arts and cultural district.

27
28 SECTION 4. EFFECTIVE DATES.

29 (a) Section 2 of this act is effective for tax years beginning on or
30 after January 1, 2013.

31 (b) Section 3 of this act is effective on the first day of the
32 calendar quarter following the effective date of this act.

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34 /s/Sabin