| 1  | State of Arkansas   | As Engrossed: H3/17/15                        |                         |
|----|---|---|-------------------------|
| 2  | 90th General Assembly   | A Bill  |                         |
| 3  | Regular Session, 2015   |   | HOUSE BILL 1940         |
| 4  |   |   |                         |
| 5  | By: Representatives Gates, Ballinger, Bentley, Brown, Copeland, Harris, Lemons, J. Mayberry, B. Smith |   |                         |
| 6  | By: Senators A. Clark, Hester,  | , J. Hutchinson, B. King, Maloch, G. Stubblej | field                   |
| 7  |   |   |                         |
| 8  | For An Act To Be Entitled   |   |                         |
| 9  | AN ACT TO ENCOURAGE CHARITABLE GIVING AND ELIMINATE   |   |                         |
| 10 | PERVERSE AND ABSURD TAXES AND DISINCENTIVES ON  |   |                         |
| 11 | CHARITABLE GIVING; TO EXEMPT CERTAIN WITHDRAWALS OF   |   |                         |
| 12 | STOCK FROM THE SALES AND USE TAX; AND FOR OTHER   |   |                         |
| 13 | PURPOSES.   |   |                         |
| 14 |   |   |                         |
| 15 |   |   |                         |
| 16 |   | Subtitle                                      |                         |
| 17 |   | NCOURAGE CHARITABLE GIVING AND                |                         |
| 18 | ELIMI   | INATE PERVERSE AND ABSURD TAXES AN            | ND                      |
| 19 | DISIN   | NCENTIVES ON CHARITABLE GIVING; AN            | ND                      |
| 20 | TO EX   | XEMPT CERTAIN WITHDRAWALS OF STOCE            | X                       |
| 21 | FROM  | THE SALES AND USE TAX.                        |                         |
| 22 |   |   |                         |
| 23 |   |   |                         |
| 24 | BE IT ENACTED BY THE G  | GENERAL ASSEMBLY OF THE STATE OF A            | ARKANSAS:               |
| 25 |   |   |                         |
| 26 | SECTION 1. Arkansas Code § 26-52-322(b)(2), concerning withdrawals                                    |   |                         |
| 27 | from stock, is amended  |   |                         |
| 28 | -   | ourposes of calculating the gross             | -                       |
| 29 | compensating use tax under subdivision (b)(l) of this section, the gross                              |   |                         |
| 30 | receipts or gross proc  | eeds for a withdrawal from stock              | is <del>the</del> :     |
| 31 | <u>(A)</u>  | The value of <del>any</del> the goods, ware   | es, merchandise, or     |
| 32 | tangible personal property withdrawn if the goods, wares, merchandise, or                             |   |                         |
| 33 | tangible personal property:   |   |                         |
| 34 |   | (i) Were withdrawn for consump                | tion or use in the      |
| 35 | established business;   |   |                         |
| 36 |   | (ii) Are alcoholic beverages o                | or tobacco products; or |

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| 1  | (B) Zero dollars (\$0.00) if the goods, wares, merchandise,                   |  |  |
|----|---|--|--|
| 2  | or tangible personal property, other than alcoholic beverages or tobacco      |  |  |
| 3  | products, were withdrawn for consumption or use by a:                         |  |  |
| 4  | (i) Nonprofit organization described in 26 U.S.C. §                           |  |  |
| 5  | 501(c)(3), as it existed on January 1, 2015;                                  |  |  |
| 6  | (ii) Public educational institution;  |  |  |
| 7  | (iii) Nonprofit church; or  |  |  |
| 8  | (iv) Private individual who has suffered damage or                            |  |  |
| 9  | loss as the result of a natural disaster if:                                  |  |  |
| 10 | (a) The private individual receiving the                                      |  |  |
| 11 | goods, wares, merchandise, or tangible personal property resides in an area   |  |  |
| 12 | of the state that the Governor has officially declared to be a disaster area; |  |  |
| 13 | and_  |  |  |
| 14 | (b) A representative of the established                                       |  |  |
| 15 | business provides a sworn affidavit to the Department of Finance and          |  |  |
| 16 | Administration with the report required under § 26-52-501 describing in       |  |  |
| 17 | detail the goods, wares, merchandise, or tangible personal property withdrawn |  |  |
| 18 | and the disaster area in which each recipient resides.                        |  |  |
| 19 |   |  |  |
| 20 | SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the          |  |  |
| 21 | first day of the calendar quarter following the effective date of this act.   |  |  |
| 22 |   |  |  |
| 23 | /s/Gates  |  |  |
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