

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

# A Bill

HOUSE BILL 1235

5 By: Representatives Crawford, Gramlich, J. Richardson  
6 By: Senator J. Boyd  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW GOVERNING STATE SALES TAX; TO  
10 CREATE AN EXEMPTION FROM SALES TAX FOR ALL PURCHASES  
11 BY A NONPROFIT THAT WORKS WITH ARKANSAS CITIZENS WHO  
12 HAVE BEEN DIAGNOSED WITH A DEVELOPMENTAL DISABILITY;  
13 AND FOR OTHER PURPOSES.  
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## Subtitle

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17 TO CREATE AN EXEMPTION FROM SALES TAX FOR  
18 ALL PURCHASES BY A NONPROFIT THAT WORKS  
19 WITH ARKANSAS CITIZENS WHO HAVE BEEN  
20 DIAGNOSED WITH A DEVELOPMENTAL  
21 DISABILITY.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is  
27 amended to add an additional section to read as follows:

28 26-52-455. Sales to nonprofits aiding people with developmental  
29 disabilities – Definitions.

30 (a) As used in this section, "diagnosis of a developmental disability"  
31 means a disability of a person that:

32 (1) Is attributable to:

33 (A) An intellectual disability, cerebral palsy, epilepsy,  
34 spina bifida, Down syndrome, or autism;

35 (B) Another condition of the person found to be closely  
36 related to an intellectual disability because the condition:



1                   (i) Results in an impairment of general intellectual  
2 functioning or adaptive behavior similar to that of a person with an  
3 intellectual disability; or

4                   (ii) Requires treatment and services similar to that  
5 required for a person with an intellectual disability; or

6                   (C) Dyslexia resulting from a disability or condition  
7 described in subdivision (b)(1)(A) or subdivision (b)(1)(B) of this section;

8                   (2) Originates before the person reaches twenty-two (22) years  
9 of age;

10                   (3) Has continued or can be expected to continue indefinitely;  
11 and

12                   (4) Constitutes a substantial impairment to the person's ability  
13 to function without appropriate support services, including without  
14 limitation:

15                   (A) Planned recreational activities;

16                   (B) Medical services such as physical therapy and speech  
17 therapy; and

18                   (C) Possibilities for sheltered employment or job  
19 training.

20                   (b) The gross receipts or gross proceeds from the sale of tangible  
21 personal property or a service to a nonprofit that is certified under  
22 subsection (c) of this section to work with people in this state who have  
23 been diagnosed with a developmental disability are exempt from the gross  
24 receipts tax levied by this chapter and the compensating use tax levied by  
25 the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

26                   (c)(1) Before claiming the exemption under subsection (b) of this  
27 section, the nonprofit shall apply for and obtain a certification from the  
28 Department of Finance and Administration on a form the department approves.

29                   (2) The form under subsection (c)(1) of this section shall  
30 require the nonprofit to show it works with people in this state who have  
31 been diagnosed with a developmental disability.

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