

State of Arkansas

As Engrossed: H1/31/23

94th General Assembly

# A Bill

Regular Session, 2023

HOUSE BILL 1235

By: Representatives Crawford, Gramlich, J. Richardson, Rose

By: Senator J. Boyd

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW GOVERNING STATE SALES TAX; TO  
CREATE AN EXEMPTION FROM SALES TAX FOR ALL PURCHASES  
BY A NONPROFIT THAT WORKS WITH ARKANSAS CITIZENS WHO  
HAVE BEEN DIAGNOSED WITH A DEVELOPMENTAL *DISABILITY*  
*OR DEVELOPMENTAL DELAY*; AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE AN EXEMPTION FROM SALES TAX FOR  
ALL PURCHASES BY A NONPROFIT THAT WORKS  
WITH ARKANSAS CITIZENS WHO HAVE BEEN  
DIAGNOSED WITH A DEVELOPMENTAL *DISABILITY*  
*OR DEVELOPMENTAL DELAY*.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is  
amended to add an additional section to read as follows:

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

(a) As used in this section, "diagnosed with a developmental  
disability or developmental delay" means a person has received a diagnosis of  
a:

(1) Disability that:

(A) Is attributable to:

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



1 (ii) Another condition found to be closely related  
2 to an intellectual disability because the condition:

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

6 (b) Requires treatment and services similar to  
7 that required for a person with an intellectual disability; or

8 (iii) Dyslexia resulting from a disability or  
9 condition described in subdivision (a)(1)(A)(i) or subdivision (a)(1)(A)(ii)  
10 of this section;

11 (B) Originates before the person reaches twenty-two (22)  
12 years of age;

13 (C) Has continued or can be expected to continue  
14 indefinitely; and

15 (D) Constitutes a substantial impairment to the person's  
16 ability to function without appropriate support services, including without  
17 limitation:

18 (i) Planned recreational activities;

19 (ii) Medical services such as physical therapy and  
20 speech therapy; and

21 (iii) Possibilities for sheltered employment or job  
22 training; or

23 (2) Delay of a child in any one (1) or more of the following  
24 areas:

25 (A) Physical development;

26 (B) Cognitive development;

27 (C) Language and speech development;

28 (D) Psychosocial development; or

29 (E) Self-help skills.

30 (b) The gross receipts or gross proceeds from the sale of tangible  
31 personal property or a service to a nonprofit that is certified under  
32 subsection (c) of this section to work with people in this state who have  
33 been diagnosed with a developmental disability or developmental delay are  
34 exempt from the gross receipts tax levied by this chapter and the  
35 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §  
36 26-53-101 et seq.

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

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

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

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