

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1594

5 By: Representative Vaught  
6 By: Senator Dees  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING GROSS RECEIPTS TAX  
10 EXEMPTION CERTIFICATES; TO CREATE A FARMER SALES TAX  
11 IDENTIFICATION CARD; TO RELIEVE A SELLER OF SALES TAX  
12 REMITTANCE LIABILITY UPON GOOD FAITH ACCEPTANCE OF A  
13 FARMER SALES TAX IDENTIFICATION CARD; AND FOR OTHER  
14 PURPOSES.  
15

## Subtitle

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18 TO CREATE A FARMER SALES TAX  
19 IDENTIFICATION CARD; AND TO RELIEVE A  
20 SELLER OF SALES TAX REMITTANCE LIABILITY  
21 UPON GOOD FAITH ACCEPTANCE OF A FARMER  
22 SALES TAX IDENTIFICATION CARD.  
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
25

26 SECTION 1. Arkansas Code § 26-52-517 is amended to read as follows:

27 26-52-517. Exemption certificates – Farmer sales tax identification  
28 card – Definition.

29 (a) The sales tax liability for all sales of tangible personal  
30 property, specified digital products, digital codes, and taxable services is  
31 upon the seller unless the purchaser claims an exemption and the seller  
32 obtains identifying information of the purchaser and the reason the purchaser  
33 is claiming the exemption in the manner prescribed by the Secretary of the  
34 Department of Finance and Administration.

35 (b)(1) When tangible personal property, specified digital products, a  
36 digital code, or taxable services are purchased tax-free under subsection (a)



1 of this section and the tangible personal property, specified digital  
2 products, digital code, or taxable service is not resold by the purchaser,  
3 the purchaser is solely liable for reporting and remitting to the secretary  
4 any tax which should have been paid at the time of purchase.

5 (2) Use or disposition of the property other than for resale  
6 shall be deemed a withdrawal from stock for all purposes, including reporting  
7 and remittance of the tax due, and the tax shall be due from the purchaser at  
8 the time of the withdrawal from stock.

9 (c)(1) The secretary may provide sale for resale certificates to  
10 assist retailers in properly accounting for nontaxable sales of tangible  
11 personal property or taxable services.

12 (2) Such certificates must be completed as to the information  
13 required in order to be valid and cannot be used to establish any other  
14 exemption from sales or use tax.

15 (d)(1) A seller may accept a blanket exemption certificate or rely on  
16 a previously obtained copy of a farmer sales tax identification card from a  
17 purchaser with which the seller has a recurring business relationship.

18 (2) A seller is not required to renew blanket exemption  
19 certificates, obtain a new copy of a farmer sales tax identification card, or  
20 update exemption certificate information or data elements when there is a  
21 recurring business relationship between the purchaser and seller.

22 (3) A recurring business relationship exists when a period of no  
23 more than twelve (12) months elapses between sales transactions.

24 (e) A seller that follows the exemption requirements as prescribed by  
25 the secretary is relieved from any tax otherwise applicable if it is  
26 determined that the purchaser improperly claimed an exemption.

27 (f) The relief from liability provided in subsection (e) of this  
28 section does not apply to a seller that:

29 (1) Fraudulently fails to collect the sales tax;

30 (2) Solicits a purchaser to participate in the unlawful claim of  
31 an exemption; or

32 (3) Accepts an exemption certificate or farmer sales tax  
33 identification card from a purchaser claiming an entity-based exemption if:

34 (A) The subject of the transaction sought to be covered by  
35 the exemption certificate or farmer sales tax identification card is actually  
36 received by the purchaser at a location operated by the seller; and

1 (B) The Department of Finance and Administration provides  
 2 an exemption certificate that clearly and affirmatively indicates that the  
 3 claimed exemption is not available in Arkansas.

4 (g)(1) A seller may obtain a fully completed exemption certificate,  
 5 obtain a copy of a farmer sales tax identification card, or capture the  
 6 relevant data elements required by the department within ninety (90) days  
 7 after the date of sale.

8 (2)~~(A)~~ If the seller has not obtained an exemption certificate,  
 9 a copy of a farmer sales tax identification card, or all relevant data  
 10 elements and the department makes a request for substantiation of the  
 11 exemption, the seller has one hundred twenty (120) days from the date of the  
 12 request to prove by other means that the transaction was not subject to sales  
 13 or use tax or to obtain in good faith a fully completed exemption certificate  
 14 or a copy of a farmer sales tax identification card from the purchaser.

15 ~~(B) As used in this subsection, "good~~

16 (h) In lieu of an exemption certificate under this section:

17 (1) The secretary shall provide an eligible farmer with a farmer  
 18 sales tax identification card to assist retailers in properly accounting for  
 19 nontaxable sales of tangible personal property or taxable services to a  
 20 person engaged in farming; and

21 (2) A person engaged in farming may present a farmer sales tax  
 22 identification card to a seller to obtain an exemption under § 26-52-401 et  
 23 seq.

24 (i) As used in this section:

25 (1) "Farming" means the agricultural production of food or fiber  
 26 as a business or the agricultural production of grass sod or nursery products  
 27 as a business; and

28 (2) "Good faith" means that the seller obtains a certificate  
 29 that claims an exemption certificate or farmer sales tax identification card  
 30 for an exemption that:

31 ~~(i)~~(A) Was statutorily available on the date of the  
 32 transaction in the jurisdiction where the transaction is sourced;

33 ~~(ii)~~(B) Could be applicable to the item being  
 34 purchased; and

35 ~~(iii)~~(C) Is reasonable for the purchaser's type of  
 36 business.