



**State of Arkansas
 Department of Finance and Administration
 Fiscal Impact Statement**

Bill: HB1388 Amendment Number: H1
Bill Subtitle: TO AMEND THE SERVICES TO WHICH SALES TAX APPLIES; TO EXEMPT CERTAIN STORAGE SERVICES FROM SALES TAX; AND TO EXEMPT THE SERVICE OF FURNISHING ACCOMMODATIONS BY A TOURIST CAMP OR A TOURIST COURT FROM SALES TAX.

Sponsor:

Rep. Vaught

Basic Change:

HB1388 (as engrossed 2/13/2025) exempts the service of furnishing certain accommodations and certain storage services from sales tax. HB1388 removes the furnishing of certain accommodations from the list of services subject to sales tax:

- The furnishing of accommodations by a tourist camp;
- The furnishing of accommodations by a tourist court; and
- The furnishing of camping spaces or trailer spaces at public or privately owned campgrounds, except for federal campgrounds, on less than a month-to-month basis.

HB1388 also removes the service of boat storage and docking fees from the list of services subject to sales tax.

Fiscal Impact:

FY2026

Total Approximate State Sales and Use Tax Loss -\$2,808,325

(Estimated Effective Date 10/1/2025 --- 8 months reduced tax collection)

General Revenue - 4.5%	-\$1,885,898
Property Tax Relief - .5%	-\$209,544
Conservation Fund - .125%	-\$52,386
Educational Adequacy Fund - .875%	-\$366,702
Highway Fund - .5%	-\$216,025
Educational Excellence Trust Fund -	\$0
Educational Adequacy (GR Transfer) -	\$0
State Central Services -	-\$51,846
Constitutional Officers -	-\$25,923

Total Approximate Local City and County Sales and Use Tax Loss -\$1,425,765



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: HB1388 **Amendment Number: H1**
Bill Subtitle: TO AMEND THE SERVICES TO WHICH SALES TAX APPLIES; TO EXEMPT CERTAIN STORAGE SERVICES FROM SALES TAX; AND TO EXEMPT THE SERVICE OF FURNISHING ACCOMMODATIONS BY A TOURIST CAMP OR A TOURIST COURT FROM SALES TAX.

FY2027

Total Approximate State Sales and Use Tax Loss	-\$4,338,862
General Revenue - 4.5%	-\$2,623,473
Property Tax Relief - .5%	-\$323,746
Conservation Fund - .125%	-\$80,936
Educational Adequacy Fund - .875%	-\$566,555
Highway Fund - .5%	-\$333,759
Educational Excellence Trust Fund -	-\$266,666
Educational Adequacy (GR Transfer) -	-\$23,574
State Central Services -	-\$80,102
Constitutional Officers -	-\$40,051
Total Approximate Local City and County Sales and Use Tax Loss	-\$2,202,807

[North American Industry Classification System (NAICS) data as well as tax collected by state parks was used to calculate the fiscal impact.]

Taxpayer Impact:

A taxpayer will no longer pay sales tax when staying at a tourist camp or tourist court. Sales tax will also no longer be collected on sales of boat storage or docking fees or the rental of camping or trailer spaces at public or privately-owned campgrounds.

Resources Required:

None.

Time Required:

Adequate time is allowed for implementation.

Procedural Changes:

Training materials for staff and website resources for taxpayers will be updated.



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: HB1388

Amendment Number: H1

Bill Subtitle: TO AMEND THE SERVICES TO WHICH SALES TAX APPLIES; TO EXEMPT CERTAIN STORAGE SERVICES FROM SALES TAX; AND TO EXEMPT THE SERVICE OF FURNISHING ACCOMMODATIONS BY A TOURIST CAMP OR A TOURIST COURT FROM SALES TAX.

Other Comments:

None.

Legal Analysis:

HB1388 removes the furnishing of accommodations or spaces by tourist camps, tourist courts, and certain campgrounds from the list of services subject to gross receipts tax; however, these services are also subject to the 2% tourism tax imposed in § 26-63-402(1)(A)(ii). As the bill does not amend the tourism tax, these services would still be subject to the tourism tax.