



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

Bill: HB1485

Bill Subtitle: TO CREATE A SALES AND USE TAX EXEMPTION FOR SALES TO CERTAIN ORGANIZATIONS THAT SUPPORT VETERANS' FACILITIES.

Sponsors:

Rep. K. Brown and Sen. Wallace

Basic Change:

HB1485 creates a sales and use tax exemption for the sale of tangible personal property, specified digital products, a digital code, or a service to either:

- The Arkansas Veterans Cemetery Foundation; or
- A 501(c)(3) organization that is registered as a nonprofit with the Secretary of State and established to support Arkansas veterans' cemeteries, Arkansas veterans' homes, or facilities administered by the Department of Veterans Affairs.

HB1485 is effective on the first day of the calendar quarter following the effective date of the act.

Fiscal Impact:

There will be an undetermined fiscal impact to collections of sales and use taxes.

Taxpayer Impact:

The Arkansas Veterans Cemetery Foundation or a comparable non-profit organization will be exempt from paying sales tax on purchases.

Resources Required:

None.

Time Required:

Adequate time is allowed for implementation.

Procedural Changes:

The DFA website training manuals will need to be updated to account for the changes.

Other Comments:

The bill may benefit from limiting the exemption to established organizations that existed on January 1, 2025.

Legal Analysis:

None.