



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

Bill: HB1498

Bill Subtitle: TO AMEND THE LAW CONCERNING MILITARY-TYPE CANTEENS AND EXCHANGES.

Sponsors:

Rep. Painter and Ray

Sen. Crowell

Basic Change:

HB1498 expands the types of items that may be sold at military-type canteens and exchanges. Under current law, a military-type canteen or exchange is prohibited from selling, trading, exchanging, marketing, or vending automobiles, household appliances, furniture, building products, motorcycles, and bicycles.

HB1498 removes the restriction so that a military-type canteen or exchange may sell, trade, exchange, market, or vend automobiles, household appliances, furniture, building products, motorcycles, and bicycles exempt from state and local taxes.

Fiscal Impact:

FY2026

Total Approximate State Sales and Use Tax Loss -\$3,315,051

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

General Revenue - 4.5%	-\$2,226,184
Property Tax Relief - .5%	-\$247,354
Conservation Fund - .125%	-\$61,838
Educational Adequacy Fund - .875%	-\$432,869
Highway Fund - .5%	-\$255,004
Educational Excellence Trust Fund -	\$0
Educational Adequacy (GR Transfer) -	\$0
State Central Services -	-\$61,201
Constitutional Officers -	-\$30,600

Total Approximate Local City and County Sales and Use Tax Loss -\$1,683,026

FY2027

Total Approximate State Sales and Use Tax Loss -\$4,097,403

General Revenue - 4.5%	-\$2,408,954
Property Tax Relief - .5%	-\$305,729
Conservation Fund - .125%	-\$76,432
Educational Adequacy Fund - .875%	-\$535,026



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Highway Fund - .5%	-\$315,185
Educational Excellence Trust Fund -	-\$314,782
Educational Adequacy (GR Transfer) -	-\$27,827
State Central Services -	-\$75,644
Constitutional Officers -	-\$37,822

Total Approximate Local City and County Sales and Use Tax Loss -\$2,080,220

[The number of active duty members, national guard, and reserves in Arkansas along with expenditure data was used to calculate the fiscal impact.

For purposes of the fiscal impact, sales tax on motor vehicles and motorcycles sold at a military canteen or exchange as described in this bill will be collected when the motor vehicle or motorcycle is registered with the state. Other purchases in a military canteen or exchange as described in this bill, household appliances, furniture and building products, will be sales tax exempt.]

Taxpayer Impact:

Active duty and military veterans will be able to purchase sales tax-exempt items previously only available at Army or Air Force canteens and exchanges at military-type canteen and exchanges located at Camp Robinson, Fort Chaffee, or any other military reservation, armory, or airfield for the general welfare of the units and members of the Arkansas National Guard.

Resources Required:

None.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

Computer programs, websites and training manuals will need to be updated to account for the changes.

Other Comments:

None.

Legal Analysis:

None.