



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

Bill: SB200

Bill Subtitle: TO INCLUDE TEXTBOOKS AND OTHER INSTRUCTIONAL MATERIALS THAT ARE LEASED IN THE EXEMPTION FROM THE GROSS RECEIPTS TAX.

Sponsors:

Sen. Hammer and Rep. Hawk

Basic Change:

Under current law, sales of certain instructional materials are exempt from sales and use tax when sold to:

- An Arkansas school district or Arkansas public school that receives state funding; or
- The State of Arkansas for free distribution to Arkansas school districts or Arkansas public schools.

SB200 clarifies that textbooks, library books, and qualifying instructional materials are exempt from sales and use tax if they are leased by one of the qualifying entities.

Fiscal Impact:

None.

Taxpayer Impact:

SB200 will clarify that the lease of instructional materials by an Arkansas school district or public school will also be exempt from sales and use tax.

Resources Required:

None.

Time Required:

Adequate time is allowed for implementation.

Procedural Changes:

None.

Other Comments:

None.

Legal Analysis:

None.