

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

# A Bill

HOUSE BILL 1738

5 By: Representatives Crawford, Barnes, S. Berry, Breaux, John Carr, C. Cooper, Duffield, Ennett, D.  
6 Garner, Gonzales Worthen, Gramlich, Hollowell, Hudson, L. Johnson, Lynch, McClure, McCullough, M.  
7 McElroy, McGruder, Nazarenko, J. Richardson, Richmond, Rose, Rye, Steimel  
8 By: Senators J. Boyd, A. Clark  
9

## For An Act To Be Entitled

10 AN ACT TO AMEND THE LAW CONCERNING BENEFITS PROVIDED  
11 TO DISABLED VETERANS; TO PROVIDE A SALES AND USE TAX  
12 EXEMPTION FOR DISABLED VETERANS AND CERTAIN HOUSEHOLD  
13 MEMBERS OF DISABLED VETERANS; AND FOR OTHER PURPOSES.  
14

## Subtitle

15  
16  
17 TO PROVIDE A SALES AND USE TAX EXEMPTION  
18 FOR DISABLED VETERANS.  
19  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is  
24 amended to add an additional section to read as follows:

25 26-52-457. Disabled veterans – Definition.

26 (a) As used in this section, "disabled veteran" means a person who  
27 qualifies for a property tax exemption under § 26-3-306.

28 (b)(1) The gross receipts or gross proceeds from the sale of tangible  
29 personal property, specified digital products, a digital code, or a service  
30 to the following are exempt from the gross receipts tax levied by this  
31 chapter and the compensating use tax levied by the Arkansas Compensating Tax  
32 Act of 1949, § 26-53-101 et seq.:

33 (1) A disabled veteran; or

34 (2) A member of a disabled veteran's household who is authorized  
35 to make purchases on behalf of and for the benefit of the disabled veteran in  
36 the disabled veteran's absence.



1           (c) To qualify for the exemption under this section, a disabled  
2 veteran shall submit to the Department of Finance and Administration a letter  
3 from the United States Department of Veterans Affairs certifying that he or  
4 she is a disabled veteran under § 26-3-306.

5           (d)(1) The maximum total amount of sales that qualify for an exemption  
6 under this section is twenty-five thousand dollars (\$25,000) per year for  
7 each disabled veteran.

8           (2) The Department of Finance and Administration may request a  
9 taxpayer claiming an exemption under this section to provide a statement  
10 executed under oath that the total amount of sales subject to the exemption  
11 provided under this section has not exceeded the limitation provided in  
12 subdivision (d)(1) of this section.

13           (3) If a taxpayer claims an exemption under this section on a  
14 sale that exceeds the limitation provided in subdivision (d)(1) of this  
15 section, the amount claimed as exempt in excess of the limitation shall be  
16 treated as a direct sales tax liability, and the Department of Finance and  
17 Administration may recover the sales and use tax, including any applicable  
18 penalties and interest, by the use of any method authorized by law.

19           (e) The Department of Finance and Administration shall issue an  
20 exemption card to each disabled veteran who qualifies for an exemption card  
21 under this section and each member of a disabled veteran's household who is  
22 authorized to make purchases on behalf of and for the benefit of the disabled  
23 veteran in the disabled veteran's absence.

24           (f) A person who claims an exemption under this section with a purpose  
25 to defraud upon conviction is guilty of a Class C misdemeanor.

26           (g) The Department of Finance and Administration shall promulgate  
27 rules to implement and administer this section.

28  
29           SECTION 2. DO NOT CODIFY. EFFECTIVE DATE. Section 1 of this act is  
30 effective on the first day of the calendar quarter following the effective  
31 date of this act.

32  
33  
34  
35  
36