

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4
5 By: Representative Jean
6 By: Senator Crowell
7

A Bill

HOUSE BILL 1851

For An Act To Be Entitled

9 AN ACT TO AMEND THE SALES TAX EXEMPTION FOR FOOD,
10 FOOD INGREDIENTS, AND PREPARED FOOD SOLD IN A PUBLIC,
11 COMMON, HIGH SCHOOL, OR COLLEGE CAFETERIA OR DINING
12 FACILITY; AND FOR OTHER PURPOSES.

Subtitle

16 TO AMEND THE SALES TAX EXEMPTION FOR
17 FOOD, FOOD INGREDIENTS, AND PREPARED
18 FOOD SOLD IN A PUBLIC, COMMON, HIGH
19 SCHOOL, OR COLLEGE CAFETERIA OR DINING
20 FACILITY.

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

24 SECTION 1. DO NOT CODIFY. Legislative findings and intent.

25 (a) The General Assembly finds that the Arkansas Gross Receipts Act of
26 1941, as originally enacted, included an exemption for the sale of food in
27 public school, high school, and college cafeterias and lunchrooms operated
28 primarily for teachers and pupils and not operated for profit.

29 (b) The General Assembly intends for this act to update the exemption
30 provided for the sale of food in public school, high school, and college
31 cafeterias and lunchrooms to be consistent with the current prevailing school
32 food service and management practices, in accordance with the legislative
33 intent of the exemption as it was originally enacted.

35 SECTION 2. Arkansas Code § 26-52-401(3), concerning sales tax
36 exemptions provided for various products and services, is amended to read as



1 follows:

2 (3)(A) Gross receipts or gross proceeds derived from the sale of
3 food, food ingredients, or prepared food in public, common, high school, or
4 college cafeterias and ~~lunch rooms~~ dining facilities operated primarily for
5 teachers and pupils, not operated primarily for the public and not operated
6 for profit.

7 (B) A public, common, high school, or college cafeteria or
8 dining facility that contracts for services or management from a third party
9 that operates for profit is not considered to be operated for profit for
10 purposes of the exemption provided under subdivision (3)(A) of this section
11 solely because a for-profit third party provides services or management for
12 the public, common, high school, or college cafeteria or dining facility;

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14 SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective on the
15 first day of the calendar quarter following the effective date of this act.

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