

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

As Engrossed: S2/27/25

A Bill

SENATE BILL 289

5 By: Senator J. Dotson
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For An Act To Be Entitled

9 AN ACT TO CUT THE STATEWIDE SALES TAX RATE BY ONE-
10 EIGHTH PERCENT TO REDUCE THE SURPLUS FUNDS COLLECTED
11 FROM ARKANSAS TAXPAYERS; TO AMEND THE SALES AND USE
12 TAX RATE; AND FOR OTHER PURPOSES.
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Subtitle

15 TO CUT THE STATEWIDE SALES TAX RATE BY
16 ONE-EIGHTH PERCENT TO REDUCE THE SURPLUS
17 FUNDS COLLECTED FROM ARKANSAS TAXPAYERS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. DO NOT CODIFY. Legislative findings.

23 The General Assembly finds that:

24 (1) Arkansas has the third highest combined state and local
25 sales tax rate in the nation;

26 (2) One (1) of the reasons Arkansas has a high sales tax rate is
27 because the state levies more sales tax than is required to fund the Property
28 Tax Relief Trust Fund, which has a growing balance; and

29 (3) It is necessary to provide relief from sales tax for all
30 Arkansans.
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32 SECTION 2. Arkansas Code § 26-52-302(c)(1), concerning the additional
33 sales tax levied to fund property tax relief, is amended to read as follows:

34 (c)(1) Except for food and food ingredients that are taxed under § 26-
35 52-317 and except for used motor vehicles, trailers, and semitrailers that
36 are taxed under § 26-52-324, there is levied an additional excise tax of ~~one-~~



1 ~~half of one percent (0.5%)~~ three hundred seventy-five thousandths percent
2 (0.375%) upon all taxable sales of property, specified digital products,
3 digital codes, and services subject to the tax levied by this chapter.
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5 SECTION 3. Arkansas Code § 26-53-107(c)(1), concerning the additional
6 use tax levied to fund property tax relief, is amended to read as follows:

7 (c)(1) There is levied an additional excise tax of ~~one half of one~~
8 ~~percent (0.5%)~~ three hundred seventy-five thousandths percent (0.375%) upon
9 all tangible personal property, specified digital products, digital codes,
10 and taxable services subject to the tax levied by this subchapter except for
11 food and food ingredients that are taxed under § 26-53-145 and except for
12 used motor vehicles, trailers, and semitrailers that are taxed under § 26-53-
13 150.
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15 SECTION 4. EFFECTIVE DATE. Sections 2 and 3 of this act are effective
16 on the first day of the calendar quarter following the effective date of this
17 act.
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19 /s/J. Dotson
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