

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

A Bill

SENATE BILL 289

4
5 By: Senator J. Dotson
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For An Act To Be Entitled

8
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.
13

Subtitle

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16 TO CUT THE STATEWIDE SALES TAX RATE BY
17 ONE-EIGHTH PERCENT TO REDUCE THE SURPLUS
18 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-eighths percent (3/8%) upon all taxable
2 sales of property, specified digital products, digital codes, and services
3 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-eighths percent (3/8%) upon all tangible personal
9 property, specified digital products, digital codes, and taxable services
10 subject to the tax levied by this subchapter except for food and food
11 ingredients that are taxed under § 26-53-145 and except for used motor
12 vehicles, trailers, and semitrailers that are taxed under § 26-53-150.
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14 SECTION 4. EFFECTIVE DATE. Sections 2 and 3 of this act are effective
15 on the first day of the calendar quarter following the effective date of this
16 act.
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