

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1717

5 By: Representative Lundstrum
6 By: Senator Crowell
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE SALES AND USE TAX EXEMPTION FOR
10 PRESCRIPTION DRUGS AND OXYGEN; TO EXEMPT OVER-THE-
11 COUNTER DRUGS PRESCRIBED BY A MEDICAL PROFESSIONAL
12 FROM SALES AND USE TAX; TO CLARIFY WHICH MEDICAL
13 PROFESSIONALS MAY PRESCRIBE DRUGS THAT ARE EXEMPT
14 FROM SALES AND USE TAX; AND FOR OTHER PURPOSES.
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Subtitle

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18 TO EXEMPT OVER-THE-COUNTER DRUGS
19 PRESCRIBED BY A MEDICAL PROFESSIONAL FROM
20 SALES AND USE TAX; AND TO CLARIFY WHICH
21 MEDICAL PROFESSIONALS MAY PRESCRIBE DRUGS
22 THAT ARE EXEMPT FROM SALES AND USE TAX.
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code § 26-52-406 is amended to read as follows:

28 26-52-406. Prescription drugs, prescribed over-the-counter drugs, and
29 oxygen.

30 (a)(1) The gross receipts or gross proceeds derived from the sale,
31 purchase, or use of prescription drugs or over-the-counter drugs prescribed
32 by licensed pharmacists, hospitals, or physicians licensed healthcare
33 professionals when sold, purchased, or administered for human use and from
34 the sale of oxygen sold for human use on prescription of a licensed ~~physician~~
35 healthcare professional shall be exempt from the Arkansas gross receipts tax
36 levied by this chapter and the Arkansas compensating use tax levied by the



1 Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

2 (2) The withdrawal of prescription drug samples for free
 3 distribution from a stock or inventory, whether located within or outside the
 4 State of Arkansas, is exempt from the tax imposed by this chapter.

5 (b) The Secretary of the Department of Finance and Administration
 6 shall adopt such appropriate rules as the secretary deems necessary to assume
 7 the effective and efficient administration of the exemption provided for in
 8 this section and to prevent abuse thereof.

9 (c) As used in this section:

10 (1) "Healthcare professional" means a physician, a dentist, a
 11 podiatrist, an osteopath, a physician assistant, a nurse practitioner, an
 12 advanced practice registered nurse, a pharmacist, and any other medical
 13 professional who has prescriptive authority; and

14 (2) "Over-the-counter drug" means a drug that contains a label
 15 that identifies the product as a drug as required by 21 C.F.R. § 201.66, as
 16 it existed on January 1, 2023, and that includes:

17 (A) A "Drug Facts" panel; or

18 (B) A statement of the "active ingredient(s)" with a list
 19 of those ingredients contained in the compound, substance, or preparation.

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 21 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the
 22 first day of the calendar quarter following the effective date of this act.

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