STATE OF ARKANSAS
Department of Finance and Administration

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October 22, 2026

Sen. Justin Boyd, Co-Chair
Rep. Les D. Eaves, Co-Chair
Arkansas Legislative Council

Re: Act 1007 of 2025 Report: Number of Exemption Certificates Issued to Qualified Nonprofit Organizations from October 1, 2025 – September 30, 2026

Dear Sen. Boyd and Rep. Eaves:

Act 1007 of 2025 requires the Secretary of the Department of Finance and Administration (DFA) to report annually to the Legislative Council the number of exemption certificates that have been issued to qualified nonprofit organizations during the prior one (1) year period.

Act 1007 of 2025 created an exemption from sales and use tax for sales to qualified nonprofit organizations. A qualified nonprofit organization is an organization that: is an exempt organization under 26 U.S.C. § 501(c)(3) as it existed on January 1, 2025; has an annual operating budget of less than $200,000; and performs charitable community-based services in the state to benefit residents that are in need of assistance. The sale of tangible personal property, taxable services, and taxable digital goods to a qualified nonprofit organization is exempt if the property sold does not include certain enumerated items.

DFA issued 297 non-profit exemption certificates for the prior one (1) year period beginning with the effective date of Act 1007 of 2025: October 1, 2025 through September 30, 2026.

Please do not hesitate to contact me if I can provide additional information.

Sincerely,

Jim Hudson, Secretary
Arkansas Department of Finance and Administration