

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

A Bill

Act 1334 of 1999
HOUSE BILL 1566

5 By: Representative French
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For An Act To Be Entitled

9 "AN ACT TO PROVIDE THAT CERTAIN SALES OF MACHINERY OR
10 EQUIPMENT AND RELATED ATTACHMENTS USED FOR THE
11 HARVESTING OF TIMBER SHALL BE EXEMPT FROM THE ARKANSAS
12 GROSS RECEIPTS TAX AND THE ARKANSAS COMPENSATING TAX;
13 AND FOR OTHER PURPOSES. "
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Subtitle

15 "AN ACT TO PROVIDE THAT CERTAIN SALES OF
16 MACHINERY OR EQUIPMENT AND RELATED
17 ATTACHMENTS USED FOR THE HARVESTING OF
18 TIMBER SHALL BE EXEMPT FROM THE ARKANSAS
19 GROSS RECEIPTS TAX AND THE ARKANSAS
20 COMPENSATING TAX. "
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. (a) The first fifty thousand dollars (\$50,000) of the
27 purchase price on the sale of machinery or equipment and related attachments
28 that are sold to or used by a person engaged primarily in the harvesting of
29 timber shall be exempt from the taxes levied by the Arkansas Gross Receipts
30 Act of 1941, which begins at Arkansas Code 26-52-101, and the Arkansas
31 Compensating Tax Act of 1949, which begins at Arkansas Code 26-53-101.

32 (b) Equipment and related attachments are not exempt unless they are:
33 (1) Purchased by a person whose primary activity is the
34 harvesting of timber; and
35 (2) Used exclusively in the off-road activity of harvesting of
36 timber.

1 (c) The exemption provided in this section shall not apply to purchases
 2 of repair or replacement parts for the equipment.

3 (d) For the purpose of this section:

4 (1) "Equipment used in the harvesting of timber" means all off-
 5 road equipment and related attachments used in every forestry procedure
 6 starting with the severing of a tree from the ground through the point at
 7 which the tree or its parts in any form has been loaded in the field in or on
 8 a truck or other vehicle for transport to the place of use;

9 (2) "Machinery or equipment" means only complete systems or units
 10 that operate exclusively and directly in the harvesting of timber;

11 (3) "Off-road" equipment includes skidders, feller bunchers,
 12 delimiters of all types, chippers of all types, loaders of all types, and
 13 bulldozers equipped with grapples used as skidders; and

14 (4) "Primary activity" means the principal activity in which a
 15 person is engaged and to which more than fifty percent (50%) of all the
 16 resources of his or her activities are committed.

17 (e) This section shall be effective from July 1, 1999 through June 30,
 18 2001.

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 20 SECTION 2. All provisions of this act of a general and permanent nature
 21 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 22 Revision Commission shall incorporate the same in the Code.

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 24 SECTION 3. If any provision of this act or the application thereof to
 25 any person or circumstance is held invalid, such invalidity shall not affect
 26 other provisions or applications of the act which can be given effect without
 27 the invalid provision or application, and to this end the provisions of this
 28 act are declared to be severable.

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 30 SECTION 4. All laws and parts of laws in conflict with this act are
 31 hereby repealed.

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 33 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the General
 34 Assembly that a sales and use tax exemption should be allowed for the sale of
 35 equipment and machinery used for the harvesting of timber; that the exemption
 36 should be limited to a two-year period in order to study the financial impact

1 of the exemption; and that the exemption should begin on July 1, 1999 so that
2 the next General Assembly will have sufficient data to evaluate the exemption.
3 Therefore, an emergency is declared to exist and this act being immediately
4 necessary for the preservation of the public peace, health and safety shall
5 become effective on July 1, 1999.

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8 APPROVED: 4/12/1999
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