

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997  
4

As Engrossed: H3/12/97

# A Bill

ACT 999 OF 1997  
HOUSE BILL 1824

5 By: Representatives McGinnis and Northcutt  
6  
7

## For An Act To Be Entitled

9 "AN ACT TO EXEMPT THE SALE OF GAS PRODUCED FROM BIOMASS  
10 AND SOLD FOR THE PURPOSE OF GENERATING ENERGY TO BE SOLD  
11 TO THE GAS PRODUCER FROM THE ARKANSAS GROSS RECEIPTS TAX;  
12 AND FOR OTHER PURPOSES."

## Subtitle

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15 "TO EXEMPT THE SALE OF GAS PRODUCED FROM  
16 BIOMASS AND SOLD FOR THE PURPOSE OF  
17 GENERATING ENERGY TO BE SOLD TO THE GAS  
18 PRODUCER FROM THE ARKANSAS GROSS  
19 RECEIPTS TAX."  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. Title 26, Chapter 52, Subchapter 4 is amended by adding a  
25 new section to read as follows:

26 "26-52-429. Gas and Energy Produced From Biomass.

27 (a)(1) The gross receipts or gross proceeds derived from the sale of gas  
28 produced from biomass in a facility meeting all of the eligibility  
29 requirements for the credit allowed under Federal Internal Revenue Code § 29,  
30 as in effect on December 31, 1996, and sold to an entity for the purpose of  
31 generating steam, hot air or electricity to be sold to the gas producer are  
32 exempt from the tax levied by the Arkansas Gross Receipts Act of 1941, § 26-  
33 52-101, et seq.

34 (2) The gross receipts or gross proceeds derived from the sale of  
35 steam, hot air or electricity from the entity purchasing the gas produced from  
36 biomass in a facility meeting all of the eligibility requirements for the

1 credit allowed under Federal Internal Revenue Code § 29, as in effect on  
2 December 31, 1996, to the gas producer are exempt from the tax levied by the  
3 Arkansas Gross Receipts Act of 1941, § 26-52-101, et seq.

4 (b) As used in this section, the term "gas produced from biomass" shall  
5 mean gas produced from any organic material other than oil and natural gas or  
6 any product thereof; or coal, including lignite, or any product thereof."

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

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12 SECTION 3. If any provision of this act or the application thereof to  
13 any person or circumstance is held invalid, such invalidity shall not affect  
14 other provisions or applications of the act which can be given effect without  
15 the invalid provision or application, and to this end the provisions of this  
16 act are declared to be severable.

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

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/s/Rep. McGinnis et al

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APPROVED: 4-01-97

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