

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**

A Bill

HOUSE BILL

4 **By: Representative B. G. Hendrix**

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For An Act To Be Entitled

8 "AN ACT TO CLARIFY ARKANSAS LAW TO PROVIDE THAT RAW
9 MATERIALS TO BE MANUFACTURED, PROCESSED, OR REFINED IN
10 THIS STATE FOR SHIPMENT OUTSIDE THIS STATE GAIN NO
11 SITUS IN THIS STATE AND SHALL NOT BE ASSESSED FOR AD
12 VALOREM PROPERTY TAXATION IN THIS STATE; AND FOR
13 OTHER PURPOSES."

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15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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17 SECTION 1. It has come to the attention of the General Assembly that
18 some local taxing units have misinterpreted Arkansas law by determining that
19 raw materials brought into this state to be manufactured, processed, or
20 refined in this state for shipment outside this state gain situs in this state
21 for the purpose of ad valorem property taxation. It is the intent of this act
22 to clarify Arkansas law to specifically indicate that raw materials in that
23 circumstance do not obtain situs in this state for the purpose of ad valorem
24 property taxation.

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26 SECTION 2. Raw materials brought into this state to be manufactured,
27 processed, or refined in this state for shipment outside this state shall
28 obtain no situs in this state for the purpose of ad valorem property taxation.

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30 SECTION 3. It is hereby determined and affirmed by the General Assembly
31 that ad valorem property taxation was not intended to apply to raw materials
32 brought into this state to be manufactured, processed, or refined in this
33 state for shipment outside this state. Therefore, Section 2 of this act shall
34 apply retroactively to the effective date of Act 269 of 1969.

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1 SECTION 4. All provisions of this act of a general and permanent
2 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
3 Code Revision Commission shall incorporate the same in the Code.

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5 SECTION 5. If any provision of this act or the application thereof to
6 any person or circumstance is held invalid, such invalidity shall not affect
7 other provisions or applications of the act which can be given effect without
8 the invalid provision or application, and to this end the provisions of this
9 act are declared to be severable.

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11 SECTION 6. All laws and parts of laws in conflict with this act are
12 hereby repealed.

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14 SECTION 7. EMERGENCY. It is hereby found and determined by the General
15 Assembly that some local taxing units have misinterpreted Arkansas law to mean
16 that raw materials brought into this state to be manufactured, processed, or
17 refined in this state for shipment outside the state gain situs in this state
18 for purposes of ad valorem property taxation; that this Act clarifies Arkansas
19 law by providing that raw materials brought into this state to be
20 manufactured, processed, or refined in this state for shipment outside this
21 state shall obtain no situs in this state for the purpose of ad valorem
22 property taxation; that the misinterpretation by some local taxing units is
23 creating an unfair burden on persons importing raw materials into this state
24 to be manufactured, processed, or refined for shipment outside this state;
25 that this Act will relieve the burden by clarifying the law; and that this act
26 should go into effect immediately to correct the inequities as soon as
27 possible. Therefore, an emergency is hereby declared to exist and this act
28 being necessary for the preservation of the public peace, health, and safety
29 shall be in full force and effect from and after its passage and approval.

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