

"AN ACT TO AMEND SECTION 4 OF ACT 386 OF 1941, AS AMENDED [ARK. STATS. 84-1904], TO ADD THERETO NEW SUBSECTIONS TO EXEMPT SEVERAL ITEMS FROM THE GROSS RECEIPTS TAX; AND FOR OTHER PURPOSES."

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

SECTION 1. That Section 4 of Act 386 of 1941, as amended, the same being Section 84-1904 of the Arkansas Statutes, is hereby amended by adding thereto a new subsection (t) to read as follows:

"(t) The gross receipts or gross proceeds derived from the sale of electricity used in the manufacture of aluminum metal by the electrolytic reduction process.

(u) The gross receipts or gross proceeds derived from the sale of articles sold on the premises of the Arkansas Veterans Home.

(v) That portion of the gross receipts or gross proceeds derived from the sale of automobile parts which constitute "core charges" which are received for the purpose of securing a trade-in for the article purchased, except that when the article is not traded in, then the tax is due on the core charge.

(w) Gross receipts and gross proceeds derived from the rental and/or lease of specialized equipment used in the filming of a motion picture which qualifies for the tax incentives provided by Act 276 of 1983, as amended."

SECTION 2. Section 4 of Act 386 of 1941, as amended, the same being Arkansas Statute Section 84-1904, is hereby amended to add a new subsection to read as follows:

"(x)(1) Gross receipts and gross proceeds derived from the sale of tangible personal property lawfully purchased with food stamps or food coupons issued in accordance with the Food Stamp Act of 1964 and the gross receipts or gross proceeds derived from the sale of tangible personal property lawfully purchased with food instruments or vouchers issued under the Special Supplemental Food Program for Women, Infants and Children (WIC) in accordance with Section 17 of the Child Nutrition Act of 1966, as amended. If consideration other than food stamps, food coupons, food instruments or vouchers is used in any sale, that portion of such sale shall be fully taxable.

(2) Gross receipts and gross proceeds derived from the sale of food purchased through bids under the Special Supplemental Food Program for Women, Infants and Children (WIC)."

SECTION 3. The provisions of Section 2 of this Act shall be effective beginning October 1, 1987. The tax exemption provided by Section 2 of this Act shall expire if the exemption becomes no longer required for full participation in the food stamp program and the Special Supplemental Food Program for Women, Infants and Children.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. It is hereby found and determined by the General Assembly that because of the case of Ricarte v. State, CR 86-31, a question has arisen over the validity of Act 1013 of the Extended Session of 1976; that this Act is a reenactment of the former law; and that the immediate passage of this Act is necessary to clarify the state of the law on this issue. Therefore, an

emergency is hereby declared to exist, and this Act being necessary for the immediate preservation of the public peace, health and safety, shall be in full force and effect from and after its passage and approval.

APPROVED: April 14, 1987

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