

1 **State of Arkansas**  
2 **80th General Assembly**  
3 **Regular Session, 1995**

# A Bill

**ACT 848 OF 1995**  
**SENATE BILL 541**

4 **By: Senators Bradford, Edwards, Hoofman, and Todd**

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## **For An Act To Be Entitled**

8 "AN ACT TO CLARIFY THE TAXATION FOR GROSS RECEIPTS TAX AND  
9 COMPENSATING (USE) TAX PURPOSES OF TANGIBLE PERSONAL  
10 PROPERTY AND PARTS USED IN THE REPAIR AND MAINTENANCE OF  
11 RAILROAD PARTS, RAILROAD CARS AND EQUIPMENT; AND FOR OTHER  
12 PURPOSES."

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## **Subtitle**

15 "TO CLARIFY TAXATION FOR GROSS RECEIPTS  
16 AND USE TAX PURPOSES OF PROPERTY AND  
17 PARTS USED IN THE REPAIR AND MAINTENANCE  
18 OF RAILROAD PARTS, CARS AND EQUIPMENT."

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

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22 SECTION 1. Arkansas Code Annotated Title 26, Chapter 52, Subchapter 4  
23 is amended to add the following section:

24 "There is specifically exempted from any tax imposed by the Arkansas  
25 Gross Receipts Act of 1941 as amended, including but not limited to Arkansas  
26 Code Annotated § 26-52-301 and § 26-52-302, the following:

27 The gross receipts or gross proceeds derived from the sale of parts and  
28 other tangible personal property incorporated into or which ultimately become  
29 a part of railroad parts, railroad cars and equipment brought into the State  
30 of Arkansas solely and exclusively for the purpose of being repaired,  
31 refurbished, modified, or converted within this State."

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33 SECTION 2. Arkansas Code Annotated Title 26, Chapter 53, Subchapter 1  
34 is amended to add the following section:

35 "There is specifically exempted from any tax imposed by the Arkansas  
36 Compensating Tax Act of 1949 as amended, including but not limited to Arkansas

1 Code Annotated § 26-53-106, § 26-53-107, and § 26-53-108, the following:

2       Parts and other tangible personal property incorporated into or which  
3 ultimately become a part of railroad parts, railroad cars and equipment  
4 brought into the State of Arkansas solely and exclusively for the purpose of  
5 being repaired, refurbished, modified, or converted within this State."  
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7       SECTION 3. Subsection (c) of Arkansas Code Annotated 26-53-115 is  
8 hereby repealed.  
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10       SECTION 4. All provisions of this act of a general and permanent nature  
11 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
12 Revision Commission shall incorporate the same in the Code.  
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14       SECTION 5. If any provision of this act or the application thereof to  
15 any person or circumstance is held invalid, such invalidity shall not affect  
16 other provisions or applications of the act which can be given effect without  
17 the invalid provision or application, and to this end the provisions of this  
18 act are declared to be severable.  
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20       SECTION 6. All laws and parts of laws in conflict with this act are  
21 hereby repealed.  
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23       SECTION 7. EMERGENCY. It is hereby found and determined by the General  
24 Assembly that the General Assembly has previously passed Act 1237 of 1975 and  
25 Act 983 of 1981 to exempt railroad parts, railroad cars and equipment and the  
26 repair and maintenance of such railroad parts, railroad cars and equipment  
27 from Arkansas Gross Receipts and Compensating Use Tax; that on January 1, 1987  
28 the Arkansas Department of Finance and Administration issued new regulations  
29 which provide that parts, materials and supplies used in such repairs are  
30 still subject to tax; that Arkansas law specifically exempts parts and other  
31 tangible personal property incorporated into commercial jet aircraft and  
32 vessels, barges and towboats from tax; that a substantial number of Arkansans  
33 are employed in Arkansas facilities where such repairs are performed; and that  
34 these jobs are at risk due to the relocation of such repair facilities to  
35 other states which clearly exempt such parts, materials and supplies from tax.

1 Therefore, an emergency is hereby declared to exist and this act being  
2 necessary for the preservation of the public peace, health and safety shall be  
3 in full force and effect from and after its passage and approval.

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APPROVED: 3-31-95

