

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 737 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

As Engrossed: H3/12/09

A Bill

HOUSE BILL 2256

4
5 By: Representative Maxwell
6 By: Senator J. Jeffress

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9 **For An Act To Be Entitled**

10 AN ACT TO SPECIFY THAT BIOMASS GROWN FOR THE
11 PURPOSE OF BIOFUEL PRODUCTION IS NOT SUBJECT TO A
12 SEVERANCE TAX; AND FOR OTHER PURPOSES.

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14 **Subtitle**

15 TO EXEMPT BIOMASS GROWN FOR BIOFUEL
16 PRODUCTION FROM THE SEVERANCE TAX.

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

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21 *SECTION 1. Arkansas Code § 26-58-111(9) and (10) [Effective January 1,*
22 *2009], concerning the rate of the severance tax, is amended to read as*
23 *follows:*

24 *(9) On salt water whose naturally dissolved components, or*
25 *solutes, are used as source raw materials for bromine and other products*
26 *derived from the same salt water used in the bromine production, two dollars*
27 *and forty-five cents (\$2.45) per one thousand (1,000) barrels, forty-two*
28 *thousand United States gallons (42,000 U.S. gals.); and*

29 *(10)(A) ~~On~~ Except as provided in subdivision (10)(B) of this*
30 *section, on all other natural resources not otherwise specifically identified*
31 *under the severance tax laws of this state, five percent (5%) of the market*
32 *value at time and point of severance.*

33 *(B)(i) Biomass used primarily for the purpose of biofuel*
34 *production is not subject to a severance tax.*

35 *(ii) As used in subdivision (10)(B)(i) of this*



1 section, "biomass" means any woody biomass that is grown for use in biofuels
2 and is not grown for the production of other timber products.

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/s/ Maxwell

APPROVED: 4/1/2009