

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015  
4

# A Bill

SENATE BILL 801

5 By: Senators Rapert, Maloch  
6

## For An Act To Be Entitled

8 AN ACT TO EXEMPT FROM SALES AND USE TAXES SAND AND  
9 OTHER PROPPANTS USED DIRECTLY IN CERTAIN  
10 MANUFACTURING PROCESSES; AND FOR OTHER PURPOSES.  
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## Subtitle

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14 TO EXEMPT FROM SALES AND USE TAXES SAND  
15 AND OTHER PROPPANTS USED DIRECTLY IN  
16 CERTAIN MANUFACTURING PROCESSES.  
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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 § 26-52-402(c)(2)(B), concerning the sales  
22 and use tax exemption for certain machinery and equipment used directly in  
23 the manufacturing process, is amended to read as follows:

24 (B) Machinery and equipment “used directly” in the  
25 manufacturing process includes without limitation the following:

26 (i) Molds, frames, cavities, and forms that  
27 determine the physical characteristics of the finished product or its  
28 packaging material at any stage of the manufacturing process;

29 (ii) Dies, tools, and devices attached to or a part  
30 of a unit of machinery that determine the physical characteristics of the  
31 finished product or its packaging material at any stage of the manufacturing  
32 process;

33 (iii) Testing equipment to measure the quality of  
34 the finished product at any stage of the manufacturing process;

35 (iv) Computers and related peripheral equipment that  
36 directly control or measure the manufacturing process;



1 (v) Machinery and equipment that produce steam,  
2 electricity, or chemical catalysts and solutions that are essential to the  
3 manufacturing process but which are consumed during the course of the  
4 manufacturing process and do not become necessary and integral parts of the  
5 finished product; and

6 (vi) ~~Sand and other proppants used to complete a new~~  
7 ~~oil or gas well or to re-complete, redrill, or expand an existing oil or gas~~  
8 ~~well~~ Sand and other proppants used to complete a new oil or gas well or to  
9 re-complete, redrill, or expand an existing oil or gas well; and

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11 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the  
12 first day of the calendar quarter following the effective date of this act.  
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15 APPROVED: 04/06/2015  
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