

"AN ACT TO AMEND ARKANSAS STATUTES 84-1904.10 TO CLARIFY THE DEFINITION OF FARM EQUIPMENT AND MACHINERY TO SPECIFICALLY INCLUDE MACHINERY AND EQUIPMENT USED IN THE BUSINESS OF HARVESTING CROPS FOR OTHERS AND VEGETABLE AND FRUIT HARVESTING EQUIPMENT; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection (c) of Section 1 of Act 432 of 1981, the same being Ark. Stat. Ann. 84-1904.10(c), is hereby amended to read as follows:

"(c) As used in this Act, 'farm equipment and machinery' shall mean implements used exclusively and directly for the agricultural production of food or fiber as a business. Implements used to harvest crops for others shall be considered as used in the agricultural production of food or fiber as a business for the purposes of this exemption. Provided, however, that it shall not include implements used in the production and severance of timber or any motor vehicle of a type subject to registration, or airplane or hand tools."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. EMERGENCY. It is hereby found and determined by the General Assembly that the present definition of farm machinery and equipment which are exempt from the State sales and use tax has been misinterpreted by the Revenue Commissioner; that this Act is immediately necessary to eliminate the confusion resulting from the misinterpretation and until this Act goes into effect, unfair burdens will be placed upon some taxpayers as a result of the misunderstanding. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: 3/23/87

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