

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

Act 1033 of 1999
SENATE BILL 91

4
5 By: Senator Hill
6
7

For An Act To Be Entitled

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9 "AN ACT TO EXEMPT THE SALE OF EQUIPMENT AND MACHINERY
10 USED FOR THE AGRICULTURAL PRODUCTION OF SOD AND
11 NURSERY PRODUCTS FROM THE ARKANSAS GROSS RECEIPTS TAX;
12 AND FOR OTHER PURPOSES. "
13

Subtitle

14
15 "TO EXEMPT MACHINERY AND EQUIPMENT USED
16 FOR THE AGRICULTURAL PRODUCTION OF SOD
17 AND NURSERY PRODUCTS FROM THE ARKANSAS
18 GROSS RECEIPTS TAX. "
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
24

25 SECTION 1. Arkansas Code § 26-52-403 is amended to read as follows:

26 "26-52-403. Farm equipment and machinery.

27 (a) The sale of new and used farm equipment and machinery shall not be
28 subject to the Arkansas gross receipts tax levied by § 26-52-301(1), (2),
29 (3)(A), (B), (C)(i)-(iii), (4), and (5), but shall be exempt therefrom.

30 (b)(1)(A) As used in this section, 'farm equipment and machinery' means
31 implements used exclusively and directly ~~for~~ in farming which for purposes of
32 this act is defined as the agricultural production of food or fiber as a
33 business or for the agricultural production of grass sod or nursery products
34 as a business.

35 (B) Implements used to harvest crops ~~for~~ produced in
36 farming by others shall be considered as used in ~~the agricultural production~~

1 ~~of food or fiber as a business for the purposes of this exemption~~ farming.

2 (2) Irrigation pipe used to carry water from the irrigation well
3 to the ~~crop~~ crops produced in farming shall be considered 'farm machinery or
4 equipment' regardless of whether the pipe is used above ground or is buried
5 underground.

6 (3) However, the term 'farm equipment and machinery' shall not
7 include implements used in the production and severance of timber, motor
8 vehicles of a type subject to registration, airplanes, or hand tools.

9 (c)(1) Each purchaser of farm machinery must certify, in writing, on
10 the copy of the invoice or sales ticket to be retained by the seller that he
11 is engaged in farming and that the farm machinery will be used only in
12 farming.

13 (2) The seller shall certify to the Arkansas Department of
14 Finance and Administration that the contract price of the items has been
15 reduced to grant the full benefit of the exemption.

16 (3) Violation of this subsection by the purchaser or seller shall
17 be a misdemeanor and, upon violation or conviction for a second offense, the
18 Director of the Department of Finance and Administration shall revoke the
19 seller's sales tax permit."

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21 SECTION 2. All provisions of this Act of a general and permanent nature
22 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
23 Revision Commission shall incorporate the same in the Code.

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25 SECTION 3. If any provision of this Act or the application thereof to
26 any person or circumstance is held invalid, such invalidity shall not affect
27 other provisions or applications of the Act which can be given effect without
28 the invalid provision or application, and to this end the provisions of this
29 Act are declared to be severable.

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

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35 APPROVED: 4/1/1999