

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 252

5 By: Senator Crowell
6 By: Representative D. Hodges
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS COMPENSATING TAX ACT OF
10 1949; TO AMEND THE DEFINITIONS OF “MANUFACTURING” AND
11 “PROCESSING” FOR PURPOSES OF THE USE-TAX EXEMPTION
12 FOR MACHINERY AND EQUIPMENT USED TO RETREAD TIRES TO
13 MATCH THEIR DEFINITIONS FOR PURPOSES OF THE SALES-TAX
14 EXEMPTION; AND FOR OTHER PURPOSES.
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Subtitle

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18 TO AMEND THE DEFINITIONS OF
19 “MANUFACTURING” AND “PROCESSING” FOR
20 PURPOSES OF THE USE-TAX EXEMPTION FOR
21 MACHINERY AND EQUIPMENT USED TO RETREAD
22 TIRES TO MATCH THEIR DEFINITIONS FOR
23 PURPOSES OF THE SALES-TAX EXEMPTION.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 26-53-114(b), concerning the definitions of
29 “manufacturing” and “processing” for purposes of the use tax exemption for
30 manufacturing machinery and equipment, is amended as follows:

31 (b) As used in this section, “manufacturing” or “processing” refers to
32 and includes those operations commonly understood within their ordinary
33 meaning and shall also include:

- 34 (1) Mining;
- 35 (2) Quarrying;
- 36 (3) Refining;



- 1 (4) Extracting oil and gas;
- 2 (5) Cotton ginning;
- 3 (6) Drying of rice, soybeans, and other grains;
- 4 (7) Manufacturing of feed;
- 5 (8) Processing of poultry and eggs and the hatching of poultry;
- 6 (9) Printing of all kinds, types, and characters, including the
- 7 services of overprinting and photographic processing incidental to printing;
- 8 (10) Processing of scrap metal into grades and bales for further
- 9 processing into steel and other metals;
- 10 (11) Rebuilding or remanufacturing of used parts ~~and retreading~~
- 11 ~~of tires~~ for automobiles, trucks, and other mobile equipment powered by
- 12 electrical or internal combustion engines or motors if the rebuilt or
- 13 remanufactured parts ~~or retreaded tires~~ are not sold directly to the consumer
- 14 but are sold for resale; ~~and~~
- 15 (12) Retreading of tires for automobiles, trucks, and other
- 16 mobile equipment powered by electrical or internal combustion engines or
- 17 motors; and
- 18 (13) Producing of protective coatings which increase the quality
- 19 and durability of a finished product.

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21 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the

22 first day of the second calendar month following the effective date of this

23 act.

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26 **APPROVED: 3/21/23**

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