

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.

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

# A Bill

HOUSE BILL 1284

4  
5 By: Representative Lindsey  
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## For An Act To Be Entitled

8  
9 AN ACT TO CLARIFY THE DEFINITION OF  
10 "SUBSTANTIALLY" FOR PURPOSES OF THE EXEMPTION FOR  
11 MANUFACTURING MACHINERY AND EQUIPMENT BY  
12 REPEALING LANGUAGE REQUIRING THE IMPROVEMENT OF  
13 EFFICIENCY OR EXTENSION OF THE USEFUL LIFE OF THE  
14 MACHINE; AND FOR OTHER PURPOSES.  
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## Subtitle

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18 TO CLARIFY THE DEFINITION OF  
19 "SUBSTANTIALLY" FOR PURPOSES OF THE  
20 EXEMPTION FOR MANUFACTURING MACHINERY  
21 AND EQUIPMENT.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 26-52-402(a)(2)(B)(ii), concerning  
27 exemptions for certain machinery equipment under the Arkansas Gross Receipts  
28 Act of 1941, is amended to read as follows:

29 (ii) As used in subdivision (a)(2)(B)(i) of this  
30 section, "substantially" is intended to exclude routine repairs and  
31 maintenance and partial replacements ~~that do not improve efficiency or extend~~  
32 ~~the useful life of the entire machine~~, but it is not intended to mean that  
33 foundations and minor components that can be economically adapted, rebuilt,  
34 or refurbished must be completely replaced when replacement would be more  
35 expensive or impracticable than adapting, rebuilding, or refurbishing the old  
36 foundation or minor components.



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SECTION 2. Arkansas Code § 26-53-114(a)(2)(B)(ii), concerning exemptions for certain machinery equipment under the Arkansas Compensating Tax Act of 1949, is amended to read as follows:

(ii) As used in subdivision (a)(2)(B)(i) of this section, “substantially” is intended to exclude routine repairs and maintenance and partial replacements ~~that do not improve efficiency or extend the useful life of the entire machine~~, but it is not intended to mean that foundations and minor components which can be economically adapted, rebuilt, or refurbished must be completely replaced when replacement would be more expensive or impracticable than adapting, rebuilding, or refurbishing the old foundation and minor components; and