

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 1802

4
5 By: Representative M. Burris
6
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For An Act To Be Entitled

8
9 AN ACT TO PROVIDE THAT THE SALES OF MACHINERY OR
10 EQUIPMENT AND RELATED ATTACHMENTS USED FOR THE
11 HARVESTING OF TIMBER SHALL BE EXEMPT FROM THE
12 ARKANSAS GROSS RECEIPTS TAX AND THE ARKANSAS
13 COMPENSATING USE TAX; AND FOR OTHER PURPOSES.
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Subtitle

15
16 TO PROVIDE THAT THE SALES OF MACHINERY
17 OR EQUIPMENT AND RELATED ATTACHMENTS
18 USED FOR THE HARVESTING OF TIMBER SHALL
19 BE EXEMPT FROM THE SALES AND USE TAX.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code Section 26-52-431 is amended to read as
25 follows:

26 26-52-431. Timber harvesting equipment.

27 (a) The ~~first fifty thousand dollars (\$50,000) of the purchase price~~
28 ~~from the sale of~~ new or used machinery, ~~or~~ equipment, ~~and or~~ related
29 attachments that are sold to or used by a person engaged primarily in the
30 harvesting of timber ~~shall be~~ are exempt from the taxes levied by this
31 chapter and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

32 (b) The machinery, equipment, ~~and or~~ related attachments are not
33 exempt under this section unless they are:

34 (1) Purchased by a person whose primary activity is the
35 harvesting of timber; and

36 (2) Used exclusively in the off-road activity of harvesting of



1 timber.

2 (c) The exemption provided in this section shall not apply to a
3 purchase of a repair or replacement part for the machinery, equipment, or
4 related attachment.

5 (d) As used in this section:

6 (1) ~~“Equipment used in the harvesting~~ Harvesting of timber”
7 means the use of ~~all~~ off-road equipment and related attachments that are used
8 in every forestry procedure starting with the severing of a tree from the
9 ground through the point at which the tree or its parts in any form have been
10 loaded in the field in or on a truck or other vehicle for transport to the
11 place of use;

12 (2) ~~“Machinery or equipment” means~~ “Equipment” and “machinery”
13 mean only complete systems or units that operate exclusively and directly in
14 the harvesting of timber;

15 (3) “Off-road equipment” means ~~and includes~~ skidders, feller
16 bunchers, delimiters of all types, chippers of all types, loaders of all
17 types, and bulldozers equipped with grapples used as skidders; and

18 (4) “Primary activity” means the principal business activity in
19 which a person is engaged and to which more than fifty percent (50%) of all
20 the resources of his or her business activities are committed.

21 ~~(e)(1) The exemption provided by this section may be administered as a~~
22 ~~rebate.~~

23 ~~(2) The Director of the Department of Finance and Administration~~
24 ~~is authorized to promulgate rules to administer this exemption in the form of~~
25 ~~a rebate.~~

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27 SECTION 2. Effective Date. Section 1 of this act is effective on the
28 first day of the calendar quarter following the effective date of this act.

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