

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 2122

4
5 By: Representative Harrelson
6
7

For An Act To Be Entitled

8
9 AN ACT TO EXEMPT FROM SALES AND USE TAX THE SALE
10 OF RAW PRODUCTS FROM A FARM, ORCHARD, OR GARDEN
11 AT A FARMER'S MARKET; AND FOR OTHER PURPOSES.
12

Subtitle

13
14 TO EXEMPT FROM SALES AND USE TAX THE
15 SALE OF RAW PRODUCTS FROM A FARM,
16 ORCHARD, OR GARDEN AT A FARMER'S MARKET.
17

18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 26-52-401(18), concerning exemptions from
22 sales tax, is amended to read as follows:

23 (18)(A) Gross receipts or gross proceeds derived from the sale of:

24 (i) Any cotton or seed cotton or lint cotton or
25 baled cotton, whether compressed or not, or cotton seed in its original
26 condition;

27 (ii) Seed for use in the commercial production of an
28 agricultural product or of seed;

29 (iii) Raw products from the farm, orchard, or
30 garden, when the sale is made by the producer of the raw products directly to
31 the consumer and user;

32 (iv) Livestock, poultry, poultry products, and dairy
33 products of producers owning not more than five (5) cows; and

34 (v) Baby chickens.

35 (B)(i) ~~An~~ Except for raw food products from a farm,
36 orchard, or garden sold at a farmer's market, an exemption granted by this



1 subdivision (18) shall not apply when the articles are sold at or from an
2 established business, even though sold by the producer of the articles.

3 (ii) The exemption shall also not apply unless the
4 articles are produced or grown within the State of Arkansas.

5 (C)(i) However, nothing in subdivision (18)(B) of this
6 section shall be construed to mean that the gross receipts or gross proceeds
7 received by the producer from the sale of the products mentioned in this
8 subdivision (18) shall be taxable when the producer:

9 (a) ~~sells~~ Sells commodities produced on his or
10 her farm at an established business located on his or her farm; or

11 (b) Sells raw food products from his or her
12 farm, orchard, or garden at a farmer's market.

13 (ii) The provisions of this subdivision (18) are
14 intended to exempt the sale by livestock producers of livestock sold at
15 special livestock sales.

16 (iii) The provisions of this subdivision (18) shall
17 not be construed to exempt sales of dairy products by any other businesses.

18 (iv) The provisions of this subdivision (18) shall
19 not be construed to exempt sales by florists and nurserymen. As used in this
20 subdivision (18), "nurserymen" does not include Christmas tree farmers;

21 (D) As used in this subdivision (18), "farmer's market"
22 means a common facility or area where producers gather to sell farm products,
23 including without limitation fresh fruits, vegetables, herbs, and other
24 garden products directly to the consumer.

25
26 SECTION 2. Section 1 of this act is effective on the first day of the
27 calendar quarter following the effective date of this act.