

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

*As Engrossed: S4/16/13*

# A Bill

SENATE BILL 299

5 By: Senators Teague, E. Cheatham, B. Pierce, B. Sample  
6 By: Representatives Bragg, Lampkin, Wardlaw  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE SALES AND USE TAX EXEMPTION FOR  
10 TIMBER HARVESTING MACHINERY, EQUIPMENT, AND RELATED  
11 ATTACHMENTS; AND FOR OTHER PURPOSES.  
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### Subtitle

15 *TO AMEND THE SALES AND USE TAX EXEMPTION*  
16 *FOR TIMBER HARVESTING MACHINERY,*  
17 *EQUIPMENT, AND RELATED ATTACHMENTS.*  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code § 26-52-431 is amended to read as follows:

23 26-52-431. Timber harvesting machinery, equipment, and related  
24 attachments.

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

31 (b) The machinery, new or used equipment, and related attachments are  
32 ~~not~~ exempt under this section unless only if they are:

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

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



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

4 (d) As used in this section:

5 (1) “Equipment” means only complete systems or units that  
6 operate exclusively and directly in the harvesting of timber;

7 ~~(1) “Equipment used in the harvesting~~ (2) “Harvesting of  
8 timber” means all the use of off-road equipment and related attachments ~~used~~  
9 in every forestry procedure starting with the severing of a tree from the  
10 ground through the point at which the tree or its parts in any form have been  
11 loaded in the field in or on a truck or other vehicle for transport to the  
12 place of use;

13 ~~(2) “Machinery or equipment”~~ (3) “Machinery” means only  
14 complete systems or units that operate exclusively and directly in the  
15 harvesting of timber;

16 ~~(3)~~ (4) “Off-road equipment” means and includes skidders, feller  
17 bunchers, delimiters of all types, chippers of all types, loaders of all  
18 types, and bulldozers equipped with grapples used as skidders; and

19 ~~(4)~~ (5) “Primary activity” means the principal business activity  
20 in which a person is engaged and to which more than fifty percent (50%) of  
21 all the resources of his or her business activities are committed.

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

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

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28 *SECTION 2. EFFECTIVE DATE. This act is effective on and after July 1,*  
29 *2014.*

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31 /s/Teague  
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