

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

A Bill

Act 854 of 1999
SENATE BILL 769

5 By: Senators Harriman, Canada
6 By: Representatives T. Smith, R. Smith, Hale
7

For An Act To Be Entitled

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10 "AN ACT TO EXEMPT CHEMICALS USED IN MANUFACTURING FROM
11 SALES AND USE TAX; TO REPEAL THE REQUIREMENT THAT
12 REPLACEMENT MACHINERY AND EQUIPMENT MUST PERFORM MORE
13 EFFICIENTLY OR HAVE A LONGER USEFUL LIFE TO BE EXEMPT
14 FROM SALES AND USE TAX; AND FOR OTHER PURPOSES. "

Subtitle

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17 "AN ACT TO EXEMPT CHEMICALS USED IN THE
18 MANUFACTURING PROCESS FROM SALES AND USE
19 TAX AND TO REPEAL THE USEFUL LIFE AND
20 EFFICIENCY REQUIREMENT FROM THE SALES
21 TAX EXEMPTION FOR REPLACEMENT MACHINERY
22 AND EQUIPMENT. "

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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Arkansas Code 26-52-401, relating to exemptions from the
28 gross receipts tax, is amended to add the following new subsection to the end
29 thereof to be appropriately numbered by the Arkansas Code Revision Commission:

30 "(A) Gross receipts or gross proceeds derived from the sale of
31 catalysts, chemicals, reagents and solutions which are consumed or used in
32 producing, manufacturing, fabricating, processing, or finishing articles of
33 commerce at manufacturing or processing plants or facilities in the State of
34 Arkansas.

35 (B) Gross receipts or gross proceeds derived from the sale of
36 catalysts, chemicals, reagents and solutions which are consumed or used by

1 manufacturing or processing plants or facilities in the state to prevent or
2 reduce air or water pollution or contamination which might otherwise result
3 from the operation of the plant or facility.

4 (C) For the purpose of this subsection, the terms 'manufacturing' and
5 'processing' shall have the same meaning as set forth in Arkansas Code 26-52-
6 402(b)."

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8 SECTION 2. Arkansas Code 26-52-402(a)(2)(B)(i), relating to sales tax
9 exemptions for certain machinery and equipment, is amended to read as follows:

10 "(B)(i) 'Machinery purchased to replace existing machinery' means that
11 substantially all of the machinery and equipment required to perform an
12 essential function is physically replaced with new machinery ~~that performs the~~
13 ~~essential function more efficiently or with a longer useful life than the old~~
14 ~~machinery being replaced;"~~

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16 SECTION 3. Arkansas Code 26-53-114(a)(2)(B)(i), relating to use tax
17 exemption for certain machinery and equipment, is amended to read as follows:

18 "(B)(i) 'Machinery purchased to replace existing machinery' means that
19 substantially all of the machinery and equipment required to perform an
20 essential function is physically replaced with new machinery ~~that performs the~~
21 ~~essential function more efficiently or with a longer useful life than the old~~
22 ~~machinery being replaced."~~

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24 SECTION 4. All provisions of this act of a general and permanent nature
25 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
26 Revision Commission shall incorporate the same in the Code.

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28 SECTION 5. If any provision of this act or the application thereof to
29 any person or circumstance is held invalid, such invalidity shall not affect
30 other provisions or applications of the act which can be given effect without
31 the invalid provision or application, and to this end the provisions of this
32 act are declared to be severable.

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34 SECTION 6. All laws and parts of laws in conflict with this act are
35 hereby repealed.

36 APPROVED: 3/24/1999