

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

# A Bill

HOUSE BILL 1281

5 By: Representatives Shepherd, Baine  
6 By: Senator B. Pierce  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE SALES AND USE TAX EXEMPTION FOR  
10 CERTAIN MACHINERY AND EQUIPMENT; AND FOR OTHER  
11 PURPOSES.  
12  
13

## Subtitle

15 TO AMEND THE SALES AND USE TAX EXEMPTION  
16 FOR CERTAIN MACHINERY AND EQUIPMENT.  
17  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 26-52-402(a)(3), concerning the sales tax  
22 exemption for certain machinery and equipment, is amended to read as follows:

23 (3)(A) Gross receipts or gross proceeds derived from the sale of  
24 tangible personal property consisting of machinery and equipment required by  
25 state or federal law or regulations to be installed and utilized by  
26 manufacturing and processing plants or facilities, cities, or towns in this  
27 state to prevent or reduce air or water pollution or contamination ~~which that~~  
28 might otherwise result from the operation of the plant ~~or~~, facility, city, or  
29 town.

30 (B) As used in this subdivision (a)(3), "machinery and  
31 equipment required by state or federal law or regulations to be installed and  
32 utilized by manufacturing and processing plants or facilities" includes:

33 (i) Machinery and equipment required by state or  
34 federal law or regulations to be used in the refining of petroleum-based  
35 products to remove sulfur pollutants from the refined product; and

36 (ii) Any repair parts and repair labor for machinery



1 or equipment required by state or federal law or regulations to be used in  
 2 the refining of petroleum-based products to remove sulfur pollutants from the  
 3 refined product.

4  
 5 SECTION 2. Arkansas Code § 26-53-114(a)(3), concerning the use tax  
 6 exemption for certain machinery and equipment, is amended to read as follows:

7 (3)(A) Machinery and equipment required by state or federal law  
 8 or regulations to be installed and utilized by manufacturing or processing  
 9 plants or facilities ~~or~~, cities, or towns in this state to prevent or reduce  
 10 air or water pollution or contamination ~~which~~ that might otherwise result  
 11 from the operation of the ~~plants or plant~~, facility ~~or~~, city, or town.

12 (B) As used in this subdivision (a)(3), "machinery and  
 13 equipment required by state or federal law or regulations to be installed and  
 14 utilized by manufacturing and processing plants or facilities" includes:

15 (i) Machinery and equipment required by state or  
 16 federal law or regulations to be used in the refining of petroleum-based  
 17 products to remove sulfur pollutants from the refined product; and

18 (ii) Any repair parts and repair labor for machinery  
 19 or equipment required by state or federal law or regulations to be used in  
 20 the refining of petroleum-based products to remove sulfur pollutants from the  
 21 refined product.

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 23 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective  
 24 on the first day of the calendar quarter following the effective date of this  
 25 act.

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 28 **APPROVED: 03/01/2013**