

HOUSE AMENDMENT 1 TO HB1250.

by striking all of line 6 on page 3 and substituting therefor the following:

"resale, and the production of protective coatings which increase the quality and durability of a finished product."

AND

by striking all of lines 8 and 9 on page 4

AND

by adding a new SECTION 2 to read as follows:

"SECTION 2. Arkansas Code § 26-53-114(b) relating to exemptions for certain machinery and equipment from use tax is amended to read as follows:

_(b) For the purpose of this section, the terms _manufacturing_ and _processing_ refer to and include those operations commonly understood within their ordinary meaning and shall also include mining, quarrying, refining, extracting oil and gas, cotton ginning, the drying of rice, soybeans, and other grains; and the manufacturing of feed, processing of poultry and eggs and the hatching of poultry; and printing of all kinds, types, and characters, including the services of overprinting and photographic processes incidental to printing; the processing of scrap metal into grades and bales for further processing into steel and other metals and the rebuilding or remanufacturing of used parts and retreading of tires for automobiles, trucks, and other mobile equipment powered by electrical or internal combustion engines or motors if the rebuilt or remanufactured parts or retreaded tires are not sold directly to the consumer but are sold for resale, and the production of protective coatings which increase the quality and durability of a finished product._"

AND

by appropriately renumbering subsequent sections

AND

by adding an emergency clause as the last Section of the bill to read as follows:

"SECTION 6. EMERGENCY. It is hereby found and determined by the General Assembly that the exemption from sales and use tax for certain manufacturing machinery and equipment does not extend to manufacturers which produce protective coatings for increasing the quality and durability of finished products and that the sales and use tax levied on this

equipment imposes a severe hardship on this type of manufacturing industry in this State, prevents expansion of this industry and places it at a competitive disadvantage to like manufacturing industries in other states; that this legislation will exempt machinery and equipment which increases the quality and durability of finished products from sales and use tax and that the exemption of this machinery and equipment from the sales and use tax will be of great value to the economic and industrial stability and development in this State. Therefore an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health and safety shall become effective on the date of its approval by the Governor. If the bill is neither approved nor vetoed by the Governor, it shall become effective on the expiration of the period of time during which the Governor may veto the bill. If the bill is vetoed by the Governor and the veto is overridden, it shall become effective on the date the last house overrides the veto."