

# Hall of the House of Representatives

87th General Assembly - Regular Session, 2009

## Amendment Form

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### Subtitle of House Bill No. 2165

"TO EXEMPT THE PARTS AND LABOR FOR AGRICULTURAL EQUIPMENT FROM  
LOCAL SALES AND USE TAXES."

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### Amendment No. 1 to House Bill No. 2165.

Amend House Bill No. 2165 as originally introduced:

Delete everything after the Enacting Clause and substitute the following:

"SECTION 1. Arkansas Code § 26-52-523(a), and (b), concerning a credit or rebate on local sales and use tax, is amended to read as follows:

(a) As used in this section:

(1) "Agricultural" means the production of food, fiber, grass sod, nursery products, livestock, or poultry as a business;

~~(1)(2)~~ (2) "Qualifying purchase" means a purchase of tangible personal property or a taxable service:

(A) For which the purchaser may take a business expense deduction pursuant to 26 U.S.C. § 162, as in effect on January 1, 2007;

(B) For which the purchaser may take a depreciation deduction pursuant to 26 U.S.C. § 167, as in effect on January 1, 2007;

(C) By an exempt organization under 26 U.S.C. § 501, as in effect on January 1, 2007, if the purchase would be subject to a business expense deduction or depreciation deduction if the purchaser were not an exempt organization under 26 U.S.C. § 501, as in effect on January 1, 2007; or

(D) By a state, or any county, city, municipality, school district, state-supported college or university, or any other political subdivision of a state, if the purchase would be subject to a business expense deduction or depreciation deduction if the purchaser were not one (1) of the entities enumerated in this subdivision ~~(a)(1)(D)~~ (a)(2)(D); and

~~(2)(3)~~ (3) "Single transaction" means any sale of tangible personal property or a taxable service reflected on a single invoice, receipt, or statement for which an aggregate sales or use tax amount has been reported and remitted to the state for a single local taxing jurisdiction.

(b)(1) A purchaser that pays any municipal sales or use tax in excess of the tax due on the first two thousand five hundred dollars (\$2,500) of gross receipts or gross proceeds ~~from a qualifying purchase of tangible personal property or a taxable service in a single transaction~~ is entitled to a credit or rebate of the excess amount of municipal sales or use tax paid on each single transaction ~~for the following:~~



(A) The sale of parts or labor for equipment used only for agricultural purposes; and

(B) A qualifying purchase of tangible personal property or a taxable service in a single transaction.

(2) A purchaser that pays any county sales or use tax in excess of the tax due on the first two thousand five hundred dollars (\$2,500) of gross receipts or gross proceeds ~~from a qualifying purchase of tangible personal property or a taxable service in a single transaction~~ is entitled to a credit or rebate of the excess amount of county sales or use tax paid on each single transaction ~~for the following:~~

(A) The sale of parts or labor for equipment used only for agricultural purposes; and

(B) A qualifying purchase of tangible personal property or a taxable service in a single transaction.

SECTION 2. Effective Date. Section 1 of this act is effective on the first day of the calendar quarter following the effective date of this act."

The Amendment was read \_\_\_\_\_

By: Representative L. Cowling

MMC/RCK - 03-30-2009 14:40

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Chief Clerk