

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

INTERIM STUDY PROPOSAL 2009-036

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

HOUSE BILL 1084

By: Representative L. Smith

Filed with: House Interim Committee on Revenue and Taxation
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO LIMIT THE SALE FOR RESALE TAX EXEMPTION
FOR PACKAGING MATERIALS SOLD TO MANUFACTURERS TO
ONLY PACKAGING MATERIALS THAT ARE BIODEGRADABLE
OR RECYCLABLE; AND FOR OTHER PURPOSES.

Subtitle

TO LIMIT THE SALE FOR RESALE TAX
EXEMPTION FOR PACKAGING MATERIALS SOLD
TO MANUFACTURERS TO ONLY PACKAGING
MATERIALS THAT ARE BIODEGRADABLE OR
RECYCLABLE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-52-401(12), concerning sales tax
exemptions, is amended to read as follows:

(12)(A) Gross receipts or gross proceeds derived from sales for resale
to persons regularly engaged in the business of reselling the articles
purchased, whether within or without the state if the sales within the state
are made to persons to whom gross receipts tax permits have been issued as
provided in § 26-52-202.

(B)(i) Goods, wares, merchandise, and property sold for use in
manufacturing, compounding, processing, assembling, or preparing for sale can
be classified as having been sold for the purposes of resale or the subject



1 matter of resale only in the event the goods, wares, merchandise, or property
2 becomes a recognizable integral part of the manufactured, compounded,
3 processed, assembled, or prepared products.

4 (ii) As to packaging materials sold to a manufacturer,
5 only those packaging materials that are either biodegradable or recyclable
6 qualify for this exemption in this subdivision.

7 ~~(ii)~~(iii) The sales of goods, wares, merchandise, and
8 property not conforming to ~~this requirement~~ the requirements of subdivision
9 (12)(B)(i) of this section are classified for the purpose of this act as
10 being "for consumption or use";

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

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36 Filed Date: 04/02/2009 By: MMC\VJF