

ARKANSAS GENERAL ASSEMBLY

Senator Jim Luker
Senate Chairman

Representative Billy Gaskill
House Chairman



LITIGATION REPORTS OVERSIGHT SUBCOMMITTEE
OF THE
ARKANSAS LEGISLATIVE COUNCIL

September 17, 2010

Senator Henry "Hank" Wilkins, IV
Chairman, Legislative Council

Representative Allen Maxwell
Chairman, Legislative Council

Dear Co-Chairman:

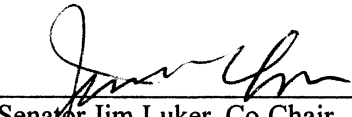
The Litigation Reports Oversight Subcommittee met on Wednesday, September 15, 2010 at 3:30 p.m. in Room 149 at the State Capitol. The Subcommittee heard one settlement agreement.

The settlement agreement dealt with Tyson Foods, Inc. v. Weiss, Washington County Circuit No: CV-09-744-5. This settlement is recommended on the basis that the Plaintiff has provided information sufficient to verify entitlement to exemption on its purchases of combo boxes and certain quality assurance items, primarily chemicals and has conceded the taxability of items as explained in the following paragraph.

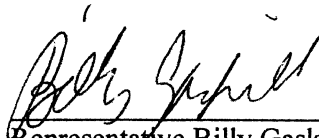
Under the terms of the agreement, the Department of Finance and Administration will refund to Tyson Foods, Inc. the tax paid on combo boxes and certain quality assurance items purchased between October 1998 and September 1999. The total refund of tax to be paid is \$113,161.25. Of this figure, \$102,739.87 will be refunded to the taxpayer in the form of a cash refund, and \$10,421.38 will be held for use by Plaintiff as an available credit under the Manufacturer's Investment Sales and Use Tax Credit of 1985. The Plaintiff will take all necessary actions to obtain dismissal of the action with prejudice. Dismissal of the action will result in Plaintiff's abandonment of any claim of entitlement to exemption of pallet leases, a Frigoscandia freezer belt replacement, and a number of quality assurance items other than chemicals that were purchased during the period at issue. The subcommittee voted to favorably review the settlement.

This was the only item that was discussed by the subcommittee.

Respectfully submitted,



Senator Jim Luker, Co-Chair



Representative Billy Gaskill, Co-Chair