

State of Arkansas

77th General Assembly

Regular Session, 1989

HOUSE BILL

1581

By: Representatives Hogue and B. Wood

"AN ACT TO AMEND ARKANSAS CODE ANNOTATED 26-52-401, TO EXEMPT FROM THE GROSS RECEIPTS TAX RAW MATERIALS USED IN THE MANUFACTURE OF PHARMACEUTICALS OR PHARMACEUTICAL PRODUCTS; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code Annotated 26-52-401, is hereby amended by adding a new subsection (28) to read as follows:

"(28) Gross receipts or gross proceeds derived from the sale of raw materials to manufacturers of pharmaceuticals or pharmaceutical products, irrespective of the presence of these raw materials in the final product."

SECTION 2. All laws or parts of law in conflict with this act are hereby repealed.

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. EMERGENCY. It is hereby found and determined by the Arkansas General Assembly that the manufacturing of pharmaceuticals and pharmaceutical products has been identified as a target industry for Arkansas' economic development and that in order to attract this type of industry, Arkansas must grant tax treatment equivalent to that allowed in other states. Current laws and regulations would prevent a pharmaceutical manufacturer from receiving an exemption on a large portion of the raw materials necessary to produce the final product while laws and regulations in other states do provide for a

sales tax exemption. Therefore, an emergency is hereby declared to exist and, this act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

