

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

SENATE BILL

548

By: Senators Fitch and Yates

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS CODE ANNOTATED SECTIONS
26-52-402(b), 26-52-10(a) and 26-53-102 TO DEFINE THE
TERM 'MANUFACTURING'; AND FOR OTHER PURPOSES."

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

SECTION 1. Arkansas Code Annotated 26-52-402(b) is hereby amended to read as follows:

"(b) For the purposes of this subsection, the terms 'manufacturing' and/or 'processing' as used herein refer to and include those operations classified as Standard Industrial Codes (SIC) 20 through 39 by the 1987 edition of the Standard Industrial Classification Manual published by the Executive Office of the President, Office of Management and Budget, and shall include those non-manufacturing firms classified as mining, quarrying, extracting oil and gas, cotton ginning, and drying of rice, soybeans, and other grains."

SECTION 2. Arkansas Code Annotated 26-52-103(a) is hereby amended by adding a new subsection (11) to read as follows:

"(11) Manufacturer/manufacturing: The term 'manufacturer' or 'manufacturing' means any business or function which is necessary to change the raw material into another product and is performed by any business assigned Standard Industrial Classification (SIC) Code(s) 20 through 39 as provided for by the 1987 edition of the Standard Industrial Classification Manual published by the Executive Office of the President, Office of Management and Budget. The Employment Security Division of the Department of Labor shall, when requested, make assignments of SIC Codes to manufacturers from said Manual. For the purposes of this subsection the exemption shall also apply to non-manufacturing firms classified as mining, quarrying,

extracting oil and gas, cotton ginning, and the drying of rice, soybeans, and other grains."

SECTION 3. Arkansas Code Annotated 26-53-102 is hereby amended by adding a new subsection (13) to read as follows:

"(13) Manufacturer/manufacturing: The term 'manufacturer' or 'manufacturing' means any business or function which is necessary to change the raw material into another product and is performed by any business assigned Standard Industrial Classification (SIC) Code(s) 20 through 39 as provided for by the 1987 edition of the Standard Industrial Classification Manual published by the Executive Office of the President, Office of Management and Budget. The Employment Security Division of the Department of Labor shall, when requested, make assignments of SIC Codes to manufacturers from said Manual. For the purposes of this subsection these exemptions shall also apply to those non-manufacturing firms classified as mining, quarrying, extracting oil and gas, cotton ginning and the drying of rice, soybeans, and other grains."

SECTION 4. 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 5. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 6. Emergency. It is hereby found and determined by the Arkansas General Assembly that the definition of manufacturing lacks consistent treatment in the laws governing tax exemptions for manufacturing firms operating in the State of Arkansas. The confusion surrounding the definition of manufacturing and/or manufacturers has often resulted in costly attempts to rectify this inconsistent treatment through the judicial system and has proven to be an unsatisfactory means of assuring that manufacturing firms receive the tax benefits to which they are entitled. Therefore, an emergency is hereby declared to exist and this Act being immediately 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.

