

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Representative Flanagin**

# A Bill

**HOUSE BILL**

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 26-58-111 TO INCREASE THE  
9 SEVERANCE TAX ON NATURAL GAS; AND FOR OTHER PURPOSES."

10

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

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13 SECTION 1. Arkansas Code 26-58-111 is hereby amended to read as  
14 follows:

15 "26-58-111. Rate of tax.

16 The severance tax is to be predicated upon the quantity severed and at  
17 the following rates:

18 (1) On barite, bauxite, titanium ore, manganese and manganiferous ores,  
19 zinc ore, cinnabar, and lead ore, fifteen cents (15¢) per ton of two thousand  
20 pounds (2,000 lbs.);

21 (2) On coal, lignite, and iron ore, two cents (2¢) per ton of two  
22 thousand pounds (2,000 lbs.);

23 (3) On gypsum not used for manufacturing within Arkansas into ultimate  
24 consumer's goods, or sold for manufacturing within Arkansas into ultimate  
25 consumer's goods, and chemical grade limestone, silica sand, and dimension  
26 stone, one and one-half cents (1 1/2¢) per ton of two thousand pounds (2,000  
27 lbs.);

28 (4) On crushed stone including, but not limited to, chert, granite,  
29 slate, novaculite, and limestone; and on construction sand, gravel, clay,  
30 chalk, shale, and marl, one cent (1¢) per ton of two thousand pounds (2,000  
31 lbs.);

32 (5) On natural gas, seven cents (7¢) per one thousand cubic feet (1,000  
33 cu. ft.);

34 (6) On oil, five percent (5%) of the market value at time and point of  
35 severance. However, whenever the production of oil from a well which is

1 measured separately or from a group of wells which is measured separately  
2 averages ten (10) barrels or less per well per day during any calendar month,  
3 the privilege or license tax on oil produced from that well or group of wells  
4 during that month shall be computed at the rate of four percent (4%) of the  
5 market value at time and point of severance. The director shall have the  
6 power to promulgate such reasonable rules and regulations as shall be  
7 necessary to effectively enforce the foregoing provisions;

8 (7) On timber, the tax shall be collected, reported, and remitted by  
9 each primary processor and shall be computed on the weight of such timber as  
10 determined at the last time the timber is weighed prior to undergoing the  
11 first processing after severance thereof and shall be at the following rates:

12 (A) On all pine timber, seventeen and eight-tenths cents (17  
13 8/10¢) per ton of two thousand pounds (2,000 lbs.);

14 (B) On all other timber, twelve and one-half cents (12 1/2¢) per  
15 ton of two thousand pounds (2,000 lbs.);

16 (C) (i) If any primary processor of timber is unable to weigh the  
17 timber as required herein because an approved weight scale is not available,  
18 the primary processor shall use the following conversion factors to convert  
19 other measurements of timber to weight:

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21 PRODUCT CONVERSION FACTORS

22 SAWTIMBER:

23 Pine 16,000 Lbs./MBF Doyle

24 All Other 16,000 Lbs./MBF Doyle

25 PULPWOOD:

26 Pine 5,000 Lbs./Cord-128 Cu. Ft.

27 All Other 6,000 Lbs./Cord-128 Cu. Ft.

28 POSTS OR POLES:

29 Less than 10' in length 30 Posts/Ton

30 POSTS OR POLES:

31 10'-16' in length 15 Posts/Ton

32 POLES OR PILING:

33 Greater than 16' in length 40 Lineal Ft./Ton

34 SPLIT CORDS 6,000 Lbs./Cord-128 Cu. Ft.

35 VENEER CORDS 5,000 Lbs./Cord-128 Cu. Ft.

1 HANDLE AND OTHER CORDS6,000 Lbs./Cord-128 Cu. Ft.

2 CHEMICAL CORDS6,000 Lbs./Cord-128 Cu. Ft.

3 WHOLE TREE CHIPS:

4 Pine5,000 Lbs./Cord-128 Cu. Ft.

5 All Other6,000 Lbs./Cord-128 Cu. Ft.

6 (ii) If the above conversion factors are not appropriate for  
7 conversion of any particular measurement of timber to weight, the director,  
8 with the advice and approval of the Arkansas Forestry Commission, shall  
9 develop an appropriate conversion procedure to produce equivalent rates;

10 (8) On diamonds, fuller's earth, ochre, natural asphalt, native  
11 sulphur, salt, pearls, and other precious stones, whetstone, novaculite, and  
12 on all other natural resources, except gypsum, not otherwise specifically  
13 identified under the severance tax laws of this state, except mussel shells,  
14 five percent (5%) of the market value at the time of severance;

15 (9) On salt water whose naturally dissolved components, or solutes, are  
16 used as source raw materials for bromine and other products derived from the  
17 same salt water used in the bromine production, two dollars and forty-five  
18 cents (\$2.45) per thousand barrels (42,000 U.S. gallons);

19 (10) On all other natural resources not otherwise specifically  
20 identified under the severance tax laws of this state, five percent (5%) of  
21 the market value at time and point of severance."

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23 SECTION 2. This act shall become effective on August 1, 1991.

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

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29 SECTION 4. If any provision of this act or the application thereof to  
30 any person or circumstance is held invalid, such invalidity shall not affect  
31 other provisions or applications of the act which can be given effect without  
32 the invalid provision or application, and to this end the provisions of this  
33 act are declared to be severable.

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35 SECTION 5. All laws and parts of laws in conflict with this act are

1 hereby repealed.

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