

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995

A Bill

SENATE BILL 541

4 By: Senators Bradford, Edwards, Hoofman, and Todd

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For An Act To Be Entitled

8 "AN ACT TO CLARIFY THE TAXATION FOR GROSS RECEIPTS TAX AND
9 COMPENSATING (USE) TAX PURPOSES OF TANGIBLE PERSONAL
10 PROPERTY AND PARTS USED IN THE REPAIR AND MAINTENANCE OF
11 RAILROAD PARTS, RAILROAD CARS AND EQUIPMENT; AND FOR OTHER
12 PURPOSES."

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Subtitle

14 "TO CLARIFY TAXATION FOR GROSS RECEIPTS
15 AND USE TAX PURPOSES OF PROPERTY AND
16 PARTS USED IN THE REPAIR AND MAINTENANCE
17 OF RAILROAD PARTS, CARS AND EQUIPMENT."
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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22 SECTION 1. Arkansas Code Annotated Title 26, Chapter 52, Subchapter 4
23 is amended to add the following section:

24 "There is specifically exempted from any tax imposed by the Arkansas
25 Gross Receipts Act of 1941 as amended, including but not limited to Arkansas
26 Code Annotated § 26-52-301 and § 26-52-302, the following:

27 The gross receipts or gross proceeds derived from the sale of parts and
28 other tangible personal property incorporated into or which ultimately become
29 a part of railroad parts, railroad cars and equipment brought into the State
30 of Arkansas solely and exclusively for the purpose of being repaired,
31 refurbished, modified, or converted within this State."

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33 SECTION 2. Arkansas Code Annotated Title 26, Chapter 53, Subchapter 1
34 is amended to add the following section:

35 "There is specifically exempted from any tax imposed by the Arkansas

1 Compensating Tax Act of 1949 as amended, including but not limited to
2 Arkansas Code Annotated § 26-53-106, § 26-53-107, and § 26-53-108, the
3 following:

4 Parts and other tangible personal property incorporated into or which
5 ultimately become a part of railroad parts, railroad cars and equipment
6 brought into the State of Arkansas solely and exclusively for the purpose of
7 being repaired, refurbished, modified, or converted within this State."
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9 SECTION 3. Subsection (c) of Arkansas Code Annotated 26-53-115 is
10 hereby repealed.

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12 SECTION 4. All provisions of this act of a general and permanent
13 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
14 Code Revision Commission shall incorporate the same in the Code.

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16 SECTION 5. If any provision of this act or the application thereof to
17 any person or circumstance is held invalid, such invalidity shall not affect
18 other provisions or applications of the act which can be given effect without
19 the invalid provision or application, and to this end the provisions of this
20 act are declared to be severable.

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22 SECTION 6. All laws and parts of laws in conflict with this act are
23 hereby repealed.

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25 SECTION 7. EMERGENCY. It is hereby found and determined by the
26 General Assembly that the General Assembly has previously passed Act 1237 of
27 1975 and Act 983 of 1981 to exempt railroad parts, railroad cars and
28 equipment and the repair and maintenance of such railroad parts, railroad
29 cars and equipment from Arkansas Gross Receipts and Compensating Use Tax;
30 that on January 1, 1987 the Arkansas Department of Finance and Administration
31 issued new regulations which provide that parts, materials and supplies used
32 in such repairs are still subject to tax; that Arkansas law specifically
33 exempts parts and other tangible personal property incorporated into
34 commercial jet aircraft and vessels, barges and towboats from tax; that a
35 substantial number of Arkansans are employed in Arkansas facilities where

1 such repairs are performed; and that these jobs are at risk due to the
2 relocation of such repair facilities to other states which clearly exempt
3 such parts, materials and supplies from tax. Therefore, an emergency is
4 hereby declared to exist and this act being necessary for the preservation of
5 the public peace, health and safety shall be in full force and effect from
6 and after its passage and approval.

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