

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

As Engrossed: S3/12/97

# A Bill

SENATE BILL 434

4  
5 By: Senators Webb, Russ, and Hunter

## For An Act To Be Entitled

9 "AN ACT TO PROVIDE A SALES TAX REBATE ON THE PURCHASE OF  
10 REPAIR AND REPLACEMENT PARTS FOR MANUFACTURING AND  
11 PROCESSING MACHINERY; AND FOR OTHER PURPOSES."

### Subtitle

13 "TO PROVIDE A SALES TAX REBATE ON THE  
14 PURCHASE OF REPAIR AND REPLACEMENT PARTS  
15 FOR MANUFACTURING AND PROCESSING  
16 MACHINERY."

17  
18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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20 SECTION 1. (a) Beginning January 1, 1998, there shall be a rebate of the  
21 amount of gross receipts tax paid to the supplier for the purchase of any part  
22 or parts used to repair, maintain, or partially replace machinery and  
23 equipment used directly in producing, manufacturing, fabricating, assembling,  
24 processing, finishing or packaging of articles of commerce at manufacturing or  
25 processing plants or facilities in the State of Arkansas. The terms  
26 manufacturing or processing shall have the same meaning as set forth in  
27 Arkansas Code 26-52-402(b). The amount of the sales tax rebate shall be as  
28 follows:

29 (1) For the year beginning January 1, 1998 and ending December 31,  
30 1998, the rebate shall be twenty percent (20%) of the amount of gross receipts  
31 tax paid;

32 (2) For the year beginning January 1, 1999 and ending December 31,  
33 1999, the rebate shall be forty percent (40%) of the gross receipts tax paid;

34 (3) For the year beginning January 1, 2000 and ending December 31,  
35 2000, the rebate shall be sixty percent (60%) of the gross receipts tax paid;

36 (4) For the year beginning January 1, 2001 and ending December 31,

1 2001, the rebate shall be eighty percent (80%) of the gross receipts tax paid.

2 (b) Beginning January 1, 2002 the gross receipts or gross proceeds  
3 derived from the sale of any part or parts used to repair, maintain, or  
4 partially replace machinery and equipment used directly in producing,  
5 manufacturing, fabricating, assembling, processing, finishing or packaging of  
6 articles of commerce at manufacturing or processing plants or facilities in  
7 the State of Arkansas shall be exempt from the Arkansas Gross Receipts Act.  
8 The terms manufacturing or processing shall have the same meaning as set  
9 forth in Arkansas Code 26-52-402(b).

10 (c) The Director of the Department of Finance and Administration is  
11 authorized to promulgate rules and regulations necessary to effectively  
12 administer the provisions of this act.

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14 SECTION 2. All provisions of this act of a general and permanent nature  
15 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
16 Revision Commission shall incorporate the same in the Code.

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18 SECTION 3. If any provision of this act or the application thereof to  
19 any person or circumstance is held invalid, such invalidity shall not affect  
20 other provisions or applications of the act which can be given effect without  
21 the invalid provision or application, and to this end the provisions of this  
22 act are declared to be severable.

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24 SECTION 4. All laws and parts of laws in conflict with this act are  
25 hereby repealed.

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/s/Webb et al

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