

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  
4  
5 By: Senator Everett

# A Bill

SENATE BILL 704

## For An Act To Be Entitled

9 "AN ACT TO PROVIDE THAT RAW MATERIALS PURCHASED WITHIN OR  
10 OUTSIDE THE STATE USED IN THE MANUFACTURING PROCESS MAY  
11 NOT BE ASSESSED FOR TAXATION IN THIS STATE; AND FOR OTHER  
12 PURPOSES."

## Subtitle

15 "AN ACT TO PROVIDE THAT RAW MATERIALS  
16 PURCHASED WITHIN OR OUTSIDE THE STATE  
17 USED IN THE MANUFACTURING PROCESS MAY  
18 NOT BE ASSESSED FOR TAXATION IN THIS  
19 STATE."

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

23 SECTION 1. Arkansas Code § 26-26-1102 is amended to read as follows:

24 "26-26-1102. Place of assessment.

25 (a) All real estate and tangible personal property shall be assessed  
26 for taxation in the taxing district in which the property is located and kept  
27 for use.

28 (b)(1)(A) Tangible personal property in transit for a destination  
29 within this state shall be assessed only in the taxing district of its  
30 destination.

31 (B) Tangible personal property in transit through this state  
32 including raw materials from within or outside this state used in the  
33 manufacturing process and tangible personal property manufactured, processed,  
34 or refined in this state and stored for shipment outside the state shall, for  
35 purposes of ad valorem taxation, acquire no situs in this state and shall not  
36 be assessed for taxation in this state.

1                   (C) The owner of tangible personal property in transit  
2 through this state and of tangible personal property in transit for a  
3 destination within this state may be required, by the appropriate assessor, to  
4 submit documentary proof of the in-transit character and the destination of  
5 the property.

6                   (2) Tangible personal property in transit through this state  
7 means, for the purposes of this section, tangible personal property:

8                   (A) Which is moving in interstate commerce through or over  
9 the territory of this state; or

10                   (B) Which is consigned to or stored in or on a warehouse,  
11 dock, or wharf, public or private, within this state for storage in transit to  
12 a destination outside this state, whether the destination is specified when  
13 transportation begins or afterward, except where the consignment or storage is  
14 for purposes other than those incidental to transportation of the property; or

15                   (C) Which is manufactured, processed, or refined within  
16 this state and which is in transit and consigned to, or stored in or on, a  
17 warehouse, dock, or wharf, public or private, within this state for shipment  
18 to a destination outside this state."

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

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24                   SECTION 3. If any provision of this act or the application thereof to  
25 any person or circumstance is held invalid, such invalidity shall not affect  
26 other provisions or applications of the act which can be given effect without  
27 the invalid provision or application, and to this end the provisions of this  
28 act are declared to be severable.

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

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