

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

SENATE BILL 15

4
5 By: Senator Hill
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For An Act To Be Entitled

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9 "AN ACT TO EXEMPT THE SALE OF EQUIPMENT AND MACHINERY
10 USED FOR THE AGRICULTURAL PRODUCTION OF SOD AND
11 NURSERY PRODUCTS FROM THE ARKANSAS GROSS RECEIPTS TAX;
12 AND FOR OTHER PURPOSES. "
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Subtitle

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15 "TO EXEMPT MACHINERY AND EQUIPMENT USED
16 FOR THE AGRICULTURAL PRODUCTION OF SOD
17 AND NURSERY PRODUCTS FROM THE ARKANSAS
18 GROSS RECEIPTS TAX. "
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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 § 26-52-403 is amended to read as follows:

23 "§ 26-52-403. Farm equipment and machinery.

24 (a) The sale of new and used farm equipment and machinery shall not be
25 subject to the Arkansas gross receipts tax levied by § 26-52-301(1), (2),
26 (3)(A), (B), (C)(i)-(iii), (4), and (5), but shall be exempt therefrom.

27 (b)(1)(A) As used in this section, 'farm equipment and machinery' means
28 implements used exclusively and directly for the agricultural production of
29 food or fiber as a business or for the agricultural production of grass sod or
30 nursery products as a business.

31 (B) Implements used to harvest crops for others shall be considered as
32 used in the agricultural production of food or fiber as a business for the
33 purposes of this exemption.

34 (2) Irrigation pipe used to carry water from the irrigation well to the
35 crop shall be considered 'farm machinery or equipment' regardless of whether
36 the pipe is used above ground or is buried underground.

1 (3) However, the term 'farm equipment and machinery' shall not include
2 implements used in the production and severance of timber, motor vehicles of a
3 type subject to registration, airplanes, or hand tools.

4 (c)(1) Each purchaser of farm machinery must certify, in writing, on
5 the copy of the invoice or sales ticket to be retained by the seller that he
6 is engaged in farming and that the farm machinery will be used only in
7 farming.

8 (2) The seller shall certify to the Arkansas Department of Finance and
9 Administration that the contract price of the items has been reduced to grant
10 the full benefit of the exemption.

11 (3) Violation of this subsection by the purchaser or seller shall be a
12 misdemeanor and, upon violation or conviction for a second offense, the
13 Director of the Department of Finance and Administration shall revoke the
14 seller's sales tax permit."

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

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

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

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