

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007

# A Bill

HOUSE BILL 1417

4  
5 By: Representatives Sullivan, T. Baker, Berry, E. Brown, Cooper, L. Cowling, Davenport, Dickinson,  
6 George, R. Green, Hall, House, King, Lamoureux, Maloch, M. Martin, Maxwell, Medley, Norton,  
7 Overbey, Patterson, Pierce, Ragland, Rogers, Stewart, Sumpter, Walters, Webb, Wells, Woods

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## For An Act To Be Entitled

11 AN ACT TO REDUCE THE SALES AND USE TAX ON  
12 UTILITIES THAT ARE USED BY QUALIFYING  
13 AGRICULTURAL STRUCTURES AND QUALIFYING  
14 AGRICULTURE, HORTICULTURE, AND AQUACULTURE  
15 EQUIPMENT; AND FOR OTHER PURPOSES.

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## Subtitle

18 TO REDUCE THE SALES AND USE TAX ON  
19 UTILITIES THAT ARE USED BY QUALIFYING  
20 AGRICULTURAL STRUCTURES AND QUALIFYING  
21 AGRICULTURE, HORTICULTURE, AND  
22 AQUACULTURE EQUIPMENT.

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

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27 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended  
28 to add an additional section to read as follows:

29 26-52-441. Reduced sales tax rate for utilities used in qualifying  
30 agricultural structures and qualifying agriculture, horticulture, and  
31 aquaculture equipment.

32 (a) As used in this section:

33 (1) "Qualifying agriculture, horticulture, or aquaculture  
34 equipment" means:

35 (A) A cooling unit, collection unit, and irrigation  
36 equipment used in a commercial horticulture operation;



1                   (B) Equipment used to pump and aerate a pond used in an  
2 aquaculture operation;

3                   (C) A holding and sorting tank used in an aquaculture  
4 operation; and

5                   (D) Equipment for an on-farm grain dryer and agricultural  
6 irrigation;

7                   (2) "Qualifying agricultural structure" means:

8                   (A) Confinement housing for poultry or livestock  
9 production, including without limitation, a broiler or turkey grow-out house,  
10 laying house, hatching unit, nursery unit, breeding house, farrowing unit,  
11 and feed-out house; and

12                   (B) A milking facility, including without limitation, a  
13 milking parlor, milk collection unit, and a refrigeration unit; and

14                   (3) "Utility" means:

15                   (A) Liquified-petroleum gas;

16                   (B) Natural gas; or

17                   (C) Electricity.

18                   (b)(1) The gross receipts or gross proceeds derived from the sale of a  
19 utility to be used as energy for a qualifying agricultural structure or a  
20 qualifying agriculture, horticulture, or aquaculture equipment is exempt from  
21 the three percent (3%) gross receipts tax levied by § 26-52-301 and the three  
22 percent (3%) compensating use tax levied by § 26-53-106(a).

23                   (2) The gross receipts or gross proceeds derived from the sale  
24 of a utility to be used as energy for a qualifying agricultural structure or  
25 a qualifying agriculture, horticulture, or aquaculture equipment shall  
26 continue to be subject to the:

27                   (A) Taxes levied under § 26-52-302 (a)-(d);

28                   (B) Taxes levied under § 26-53-107 (a)-(d);

29                   (C) Excise tax levied under Arkansas Constitution,  
30 Amendment 75, § 2; and

31                   (D) All municipal and county gross receipts and  
32 compensating use taxes.

33                   (c) To qualify for the gross receipts and compensating use tax  
34 exemption in subdivision (b)(1) of this section, the qualifying agricultural  
35 structure or qualifying agriculture, horticulture, or aquaculture equipment  
36 shall:

