

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 87th General Assembly
3 Regular Session, 2009
4

A Bill

HOUSE BILL 1084

5 By: Representative L. Smith
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7

For An Act To Be Entitled

9 AN ACT TO LIMIT THE SALE FOR RESALE TAX EXEMPTION
10 FOR PACKAGING MATERIALS SOLD TO MANUFACTURERS TO
11 ONLY PACKAGING MATERIALS THAT ARE BIODEGRADABLE
12 OR RECYCLABLE; AND FOR OTHER PURPOSES.
13

Subtitle

14 TO LIMIT THE SALE FOR RESALE TAX
15 EXEMPTION FOR PACKAGING MATERIALS SOLD
16 TO MANUFACTURERS TO ONLY PACKAGING
17 MATERIALS THAT ARE BIODEGRADABLE OR
18 RECYCLABLE.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-52-401(12), concerning sales tax
25 exemptions, is amended to read as follows:

26 (12)(A) Gross receipts or gross proceeds derived from sales for resale
27 to persons regularly engaged in the business of reselling the articles
28 purchased, whether within or without the state if the sales within the state
29 are made to persons to whom gross receipts tax permits have been issued as
30 provided in § 26-52-202.

31 (B)(i) Goods, wares, merchandise, and property sold for use in
32 manufacturing, compounding, processing, assembling, or preparing for sale can
33 be classified as having been sold for the purposes of resale or the subject
34 matter of resale only in the event the goods, wares, merchandise, or property
35 becomes a recognizable integral part of the manufactured, compounded,
36 processed, assembled, or prepared products.



1 (ii) As to packaging materials sold to a manufacturer,
2 only those packaging materials that are either biodegradable or recyclable
3 qualify for this exemption in this subdivision.

4 ~~(ii)~~(iii) The sales of goods, wares, merchandise, and
5 property not conforming to ~~this requirement~~ the requirements of subdivision
6 (12)(B)(i) of this section are classified for the purpose of this act as
7 being “for consumption or use”;

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9 SECTION 2. Effective Date. Section 1 of this act is effective on the first
10 day of the calendar quarter following the effective date of this act.

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