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   *As Engrossed: H3/12/09*

2   87th General Assembly   A Bill

3   Regular Session, 2009   HOUSE BILL   2256

4

5   By: Representative Maxwell

6   By: Senator J. Jeffress

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9   **For An Act To Be Entitled**

10   AN ACT TO SPECIFY THAT BIOMASS GROWN FOR THE

11   PURPOSE OF BIOFUEL PRODUCTION IS NOT SUBJECT TO A

12   SEVERANCE TAX; AND FOR OTHER PURPOSES.

13

14   **Subtitle**

15   TO EXEMPT BIOMASS GROWN FOR BIOFUEL

16   PRODUCTION FROM THE SEVERANCE TAX.

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

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21   *SECTION 1. Arkansas Code § 26-58-111(9) and (10) [Effective January 1,*

22   *2009], concerning the rate of the severance tax, is amended to read as*

23   *follows:*

24   *(9) On salt water whose naturally dissolved components, or*

25   *solutes, are used as source raw materials for bromine and other products*

26   *derived from the same salt water used in the bromine production, two dollars*

27   *and forty-five cents ($2.45) per one thousand (1,000) barrels, forty-two*

28   *thousand United States gallons (42,000 U.S. gals.); and*

29   *(10)(A) On Except as provided in subdivision (10)(B) of this*

30   *section, on all other natural resources not otherwise specifically identified*

31   *under the severance tax laws of this state, five percent (5%) of the market*

32   *value at time and point of severance.*

33   *(B)(i) Biomass used primarily for the purpose of biofuel*

34   *production is not subject to a severance tax.*

35   *(ii) As used in subdivision (10)(B)(i) of this*

36   *section, "biomass" means any woody biomass that is grown for use in biofuels*

1   *and is not grown for the production of other timber products.*

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3   */s/ Maxwell*

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