

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

As Engrossed: S3/4/09
A Bill

SENATE BILL 442

5 By: Senators J. Key, *Teague, Madison*
6 By: Representatives Hopper, Kidd, *J. Burris, Garner, Kerr*
7

8
9 **For An Act To Be Entitled**

10 AN ACT TO CLARIFY THAT THE SALE OF RAW PRODUCTS
11 AT A FARMERS' MARKET WHERE THE RAW PRODUCTS ARE
12 *PRODUCED AND SOLD BY THE PRODUCER ARE EXEMPTED*
13 FROM THE GROSS RECEIPTS TAX; AND FOR OTHER
14 PURPOSES.
15

16 **Subtitle**

17 TO CLARIFY THAT THE SALE OF RAW PRODUCTS
18 AT A FARMERS' MARKET WHERE THE RAW
19 *PRODUCTS ARE PRODUCED AND SOLD BY THE*
20 *PRODUCER ARE EXEMPTED FROM THE GROSS*
21 RECEIPTS TAX.
22
23

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

26 SECTION 1. Arkansas Code § 26-52-401(18) concerning various exemptions
27 from the gross receipts tax is amended to read as follows:

28 (18)(A) Gross receipts or gross proceeds derived from the sale
29 of:

30 (i) Any cotton or seed cotton or lint cotton or
31 baled cotton, whether compressed or not, or cotton seed in its original
32 condition;

33 (ii) Seed for use in the commercial production of an
34 agricultural product or of seed;

35 (iii) Raw products from the farm, orchard, or
36 garden, when the sale is made by the producer of the raw products directly to



1 the consumer and user, including the sale of raw products from a farm,
2 orchard, or garden that are produced and sold by the producer of the raw
3 products at a farmers' market, including without limitation cut or dried
4 flowers, plants, vegetables, fruits, nuts, and herbs;

5 (iv) Livestock, poultry, poultry products, and dairy
6 products of producers owning not more than five (5) cows; and

7 (v) Baby chickens.

8 (B)(i) An exemption granted by this subdivision (18) shall
9 not apply when the articles are sold at or from an established business, even
10 though sold by the producer of the articles.

11 ~~(ii) The exemption shall also not apply unless the~~
12 ~~articles are produced or grown within the State of Arkansas. A farmer's~~
13 ~~market is not an established business if the farmers' market sells raw~~
14 ~~product directly to the user of the raw product and the farmers' market is:~~

15 (a) Comprised of one or more producers of a
16 raw product;

17 (b) Operated seasonally; and

18 (c) Held out-of doors or in a public space.

19
20 SECTION 2. Effective Date. Section 1 of this act is effective on the
21 first day of the second calendar month following the effective date of this
22 act.

23
24 /s/ J. Key