

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 1233

5 By: Representative Westerman
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For An Act To Be Entitled

8 AN ACT TO PROMOTE SUSTAINABLE ECONOMIC DEVELOPMENT
9 AND DOMESTIC JOB GROWTH; TO CREATE AN EXEMPTION FROM
10 SALES AND USE TAX FOR CERTAIN CONSTRUCTION MATERIALS
11 USED FOR PUBLIC CONSTRUCTION PROJECTS; AND FOR OTHER
12 PURPOSES.
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Subtitle

15 TO PROMOTE SUSTAINABLE ECONOMIC
16 DEVELOPMENT AND DOMESTIC JOB GROWTH; AND
17 TO CREATE AN EXEMPTION FROM SALES AND USE
18 TAX FOR CERTAIN CONSTRUCTION MATERIALS
19 USED FOR PUBLIC CONSTRUCTION PROJECTS.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
26 to add an additional section to read as follows:

27 26-52-444. Construction materials for public construction projects.

28 (a)(1) The General Assembly finds that the quality of goods produced
29 in the United States may be regulated and more easily anticipated than the
30 quality of foreign goods and that the state should encourage the use of
31 quality goods produced in the United States to the extent possible in
32 completing public construction projects.

33 (2) The intent of this section is to reduce the cost of publicly
34 funded construction projects, to promote the state and national economies,
35 and to encourage the procurement of quality goods produced in the United
36 States for use in public construction projects in the state.



1 (b) As used in this section:

2 (1)(A) "Construction material" means a good that is:

3 (i) Produced in the United States; and

4 (ii) Used in a public construction project.

5 (B) "Construction material" includes without limitation
6 the following:

7 (i) An appliance;

8 (ii) Asphalt;

9 (iii) Computer network equipment and system;

10 (iv) A consumable construction material;

11 (v) A door;

12 (vi) An electrical cable or conduit;

13 (vii) Electrical control systems equipment;

14 (viii) An electrical fixture;

15 (ix) An exterior siding material;

16 (x) A fastener;

17 (xi) Fencing;

18 (xii) A finishing material, including without
19 limitation paint, floor covering, and trim;

20 (xiii) A fire protection material or equipment;

21 (xiv) Furniture and furnishings;

22 (xv) Hardware;

23 (xvi) Heating, cooling, and ventilation equipment;

24 (xvii) Landscaping equipment or supply;

25 (xviii) A masonry material;

26 (xix) Mechanical equipment, including without
27 limitation an elevator;

28 (xx) Millwork;

29 (xxi) Pipe;

30 (xxii) A plumbing fixture;

31 (xxiii) Ready-mix concrete;

32 (xxiv) A reinforcing material;

33 (xxv) A roofing material;

34 (xxvi) A soil stabilization material;

35 (xxvii) Stone and stone aggregate;

36 (xxviii) A structural fill material;

1 (xxix) A steel building and construction material;
 2 (xxx) A wall-sheathing material, including without
 3 limitation gypsum wall board;

4 (xxxi) A window; and

5 (xxxii) A wood-product building material;

6 (2) "Produced in the United States" means the construction
 7 material is either wholly produced in the United States or, if it contains
 8 materials from another country, has been substantially transformed in the
 9 United States into a new and different manufactured good;

10 (3)(A) "Public construction project" means a construction
 11 project initiated by a public entity and paid for with public funds.

12 (B) "Public construction project" includes only the
 13 portion of the construction project that is paid for with public funds.

14 (4) "Public entity" means the state, a political subdivision of
 15 the state, and the United States Government; and

16 (5) "Public funds" means funds or guarantees from a public
 17 entity.

18 (c) The gross receipts or gross proceeds derived from the sale of a
 19 construction material are exempt from the gross receipts tax levied by the
 20 Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the
 21 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §
 22 26-53-101 et seq.

23 (d) The Director of the Department of Finance and Administration shall
 24 promulgate rules to implement this section.

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