

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

# A Bill

HOUSE BILL 1552

5 By: Representative Westerman  
6

## For An Act To Be Entitled

8 AN ACT TO CREATE AN EXEMPTION FROM SALES AND USE TAX  
9 FOR CONSTRUCTION MATERIALS PAID FOR WITH PUBLIC FUNDS  
10 AND USED FOR PUBLIC ROAD CONSTRUCTION PROJECTS; AND  
11 FOR OTHER PURPOSES  
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## Subtitle

14 TO CREATE AN EXEMPTION FROM SALES AND USE  
15 TAX FOR CONSTRUCTION MATERIALS PAID FOR  
16 WITH PUBLIC FUNDS AND USED FOR PUBLIC  
17 ROAD CONSTRUCTION PROJECTS.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended  
24 to add an additional section to read as follows:

25 26-52-444. Construction materials for publicly funded road  
26 construction projects.

27 (a) As used in this section:

28 (1) "Eligible construction material" means an item or product  
29 used directly as part of a public road construction project;

30 (2) "Public entity" means the state, a political subdivision of  
31 the state, or the United States Government;

32 (3) "Public funds" means funds or guarantees from a public  
33 entity;

34 (4)(A) "Public road construction project" means a road  
35 construction project initiated by a public entity and paid for with public  
36 funds.



1                   (B) "Public road construction project" includes only the  
2 portion of the road construction project that is paid for with public funds;  
3 and

4                   (5) "Road construction project" means the construction,  
5 restoration, reconstruction, renovation, or repair of a road, highway,  
6 street, bridge, overpass, interchange, or right-of-way.

7                   (b) The gross receipts or gross proceeds derived from the sale of an  
8 eligible construction material are exempt from the gross receipts tax levied  
9 by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the  
10 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §  
11 26-53-101 et seq.

12                   (c) The Director of the Department of Finance and Administration shall  
13 promulgate rules to implement this section.

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15                   SECTION 2. Effective Date. Section 1 of this act is effective on and  
16 after July 1, 2012.

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