

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

As Engrossed: H3/8/11

# 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  
12  
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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.  
18  
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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)(A) "Eligible construction material" means an item of  
29 tangible personal property used directly as part of a public road  
30 construction project, including without limitation construction materials and  
31 consumables that are used in a public road construction project that will  
32 remain part of the completed public road construction project or are consumed  
33 in the construction process.

34 (B) "Eligible construction material" does not include  
35 construction equipment and tools, motor vehicle fuel, and other items of  
36 tangible personal property that may be used for purposes of a public road



1 construction project that do not remain part of the public road construction  
2 project or are not consumed during the construction process.

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

5 (3) "Public funds" means funds or guarantees from a public  
6 entity;

7 (4)(A) "Public road construction project" means a road  
8 construction project initiated by a public entity and paid for with public  
9 funds.

10 (B) "Public road construction project" includes only the  
11 portion of the road construction project that is paid for with public funds;  
12 and

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

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

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

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

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27 /s/Westerman  
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