

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

As Engrossed: H3/8/11
A Bill

HOUSE BILL 1553

5 By: Representative Westerman
6

7 **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 PUBLICLY
10 FUNDED BONDS AND USED FOR PUBLIC ROAD CONSTRUCTION
11 PROJECTS; AND FOR OTHER PURPOSES.
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14 **Subtitle**

15 CREATE AN EXEMPTION FROM SALES AND USE
16 TAX FOR CONSTRUCTION MATERIALS PAID FOR
17 WITH PUBLICLY FUNDED BONDS AND USED FOR
18 PUBLIC 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)(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)(A) "Public road construction project" means a road
6 construction project initiated by a public entity and paid for with publicly
7 funded bonds.

8 (B) "Public road construction project" includes only the
9 portion of the road construction project that is paid for with publicly
10 funded bonds;

11 (4) "Publicly funded bonds" means bonds paid for with funds or
12 guarantees from a public entity; 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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