

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4
5 By: Senator J. Taylor

A Bill

SENATE BILL 137

For An Act To Be Entitled

8 AN ACT TO PROVIDE THAT THE SALE OF MACHINERY OR
9 EQUIPMENT AND RELATED ATTACHMENTS USED FOR THE
10 HARVESTING OF TIMBER ARE EXEMPT FROM THE ARKANSAS
11 GROSS RECEIPTS TAX AND THE ARKANSAS COMPENSATING USE
12 TAX; AND FOR OTHER PURPOSES.

Subtitle

16 TO PROVIDE THAT THE SALE OF MACHINERY OR
17 EQUIPMENT AND RELATED ATTACHMENTS USED
18 FOR THE HARVESTING OF TIMBER ARE EXEMPT
19 FROM THE ARKANSAS GROSS RECEIPTS TAX AND
20 THE ARKANSAS COMPENSATING USE TAX.

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

25 SECTION 1. Arkansas Code § 26-52-431 is amended to read as follows:
26 26-52-431. Timber harvesting equipment.

27 (a) ~~The first fifty thousand dollars (\$50,000) of the purchase price~~
28 ~~from the gross receipts or gross proceeds derived from the sale of new or~~
29 used machinery, ~~or~~ equipment, ~~and~~ or related attachments that are sold to or
30 used by a person engaged primarily in the harvesting of timber ~~shall be~~ are
31 exempt from the taxes levied by this chapter and the Arkansas Compensating
32 Tax Act of 1949, § 26-53-101 et seq.

33 (b) The machinery, equipment, and related attachments are not exempt
34 under this section unless they are:

35 (1) Purchased by a person whose primary activity is the
36 harvesting of timber; and



1 (2) Used exclusively in the off-road activity of harvesting of
2 timber.

3 (c) The exemption provided in this section ~~shall~~ does not apply to a
4 purchase of a repair or replacement part for the machinery, equipment, or
5 related attachment.

6 (d) As used in this section:

7 (1) ~~“Equipment used in the harvesting~~ Harvesting of timber”
8 means the use of all off-road equipment and related attachments that are used
9 in every forestry procedure starting with the severing of a tree from the
10 ground through the point at which the tree or its parts in any form have been
11 loaded in the field in or on a truck or other vehicle for transport to the
12 place of use;

13 (2) ~~“Machinery or equipment” means~~ “Equipment” and “machinery”
14 mean only complete systems or units that operate exclusively and directly in
15 the harvesting of timber;

16 (3) “Off-road equipment” means ~~and includes~~ skidders, feller
17 bunchers, delimiters of all types, chippers of all types, loaders of all
18 types, and bulldozers equipped with grapples used as skidders; and

19 (4) “Primary activity” means the principal business activity in
20 which a person is engaged and to which more than fifty percent (50%) of all
21 the resources of his or her business activities are committed.

22 ~~(e)(1) The exemption provided by this section may be administered as a~~
23 ~~rebate.~~

24 ~~(2) The Director of the Department of Finance and Administration~~
25 ~~is authorized to promulgate rules to administer this exemption in the form of~~
26 ~~a rebate.~~

27
28 SECTION 2. Effective Date. Section 1 of this act is effective on the
29 first day of the calendar quarter following the effective date of this act.
30
31
32
33
34
35
36