

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

As Engrossed: H4/2/13

A Bill

HOUSE BILL 2164

5 By: Representative Carter
6

For An Act To Be Entitled

8 AN ACT TO CREATE AN EXEMPTION FROM THE SALES AND USE
9 TAX FOR EQUIPMENT AND OTHER ITEMS AND SERVICES USED
10 TO PROVIDE WIRELESS BROADBAND; AND FOR OTHER
11 PURPOSES.
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Subtitle

14 TO CREATE AN EXEMPTION FROM THE SALES AND
15 USE TAX FOR EQUIPMENT AND OTHER ITEMS AND
16 SERVICES USED TO PROVIDE WIRELESS
17 BROADBAND.
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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
24 amended to add an additional section to read as follows:

25 26-52-446. Machinery and equipment used to provide wireless broadband.

26 (a) The gross receipts or gross proceeds derived from the sale of
27 machinery and equipment used directly in the provisioning or transmission of
28 broadband communication service by a wireless provider are exempt from the
29 gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-
30 52-101 et seq., and the compensating use tax levied by the Arkansas
31 Compensating Tax Act of 1949, § 26-53-101 et seq.

32 (b) As used in this section:

33 (1)(A) "Broadband communication service" means offering to the
34 public for compensation the transmission of voice, data, video, or other
35 electronic information at a rate capable of speeds that are at least four
36 megabits per second (4 Mbps) for download and one megabit per second (1 Mbps)



1 for upload.

2 (B) "Broadband communication service" does not include
3 radio and television broadcast or distribution;

4 (2) "Machinery and equipment" includes without limitation the
5 following:

6 (A) An antenna, amplifier, wire, cable, fiber optic cable,
7 rectifier, duplexer, triplexer, multiplexer, receiver, repeater, transmitter,
8 modem, router, storage device, closure, conduit, controller, filter, input
9 device, insulator, output device, pedestal, power converter, radio channel,
10 terminal, timing unit, transformer, bridge, network computer, cross connect,
11 oscillator, server, connector, attenuator, circuit switch, analog electronic
12 switch, digital electronic switch, and switch for operator assistance; and

13 (B) Power equipment, microwave equipment, plug-in
14 circuitry, network software, power transport equipment, and test equipment;

15 (3) "Provisioning or transmission" includes the following with
16 respect to broadband communication services:

17 (A) Originating by serving as the beginning point of a
18 transmission signal;

19 (B) Transporting by carrying or delivering a transmission
20 signal;

21 (C) Aggregating by converging transmission signals that
22 arrive from one (1) or more directions and are forwarded to one (1) or more
23 other directions;

24 (D) Multiplexing by combining and sending two (2) or more
25 transmission signals onto a common transmission medium and recovering the
26 signals at the receiving end;

27 (E) Cross-connecting by linking or patching network wires
28 constructed of copper, fiber, or other material that enable the network
29 equipment on either end of the network wires to be connected;

30 (F) Routing by controlling or directing the path of a
31 transmission signal to its next or final destination;

32 (G) Coding by altering the characteristics of a
33 transmission signal to make the signal more suitable for an intended
34 application, including without limitation optimizing the signal for
35 transmission, improving transmission quality and fidelity, modifying the
36 signal spectrum, increasing the information content, providing error

1 detection or correction, and providing data security;

2 (H) Decoding by converting transmission signals by
3 reversing the effect of coding; and

4 (I) Terminating by delivering a transmission signal to its
5 final destination point; and

6 (4)(A) "Wireless provider" means a person, firm, partnership,
7 corporation, association, or other entity that offers commercial mobile
8 service as defined in § 23-17-403 to the public for compensation.

9 (B) "Wireless provider" does not include a person, firm,
10 partnership, corporation, or other entity that sells or provides broadband
11 communication service, including without limitation a hotel, motel, or owner
12 or lessee of an office, residential building, or development that contracts
13 and pays for broadband communication service for resale to guests or tenants.

14 (c) The Director of the Department of Finance and Administration may
15 promulgate rules to implement this section.

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17 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on and
18 after January 1, 2014

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20 */s/Carter*
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