

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4
5 By: Senator J. Dismang
6

A Bill

SENATE BILL 298

For An Act To Be Entitled

8 AN ACT CONCERNING THE TAX TREATMENT OF UTILITIES FOR
9 CERTAIN FACILITIES; TO CREATE AN EXEMPTION FROM THE
10 SALES AND USE TAX FOR UTILITIES USED BY A GRAIN
11 DRYING AND STORAGE FACILITY; AND FOR OTHER PURPOSES.
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Subtitle

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14 TO CREATE AN EXEMPTION FROM THE SALES AND
15 USE TAX FOR UTILITIES USED BY A GRAIN
16 DRYING AND STORAGE FACILITY.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is
23 amended to add an additional section to read as follows:

24 26-52-446. Grain drying and storage facilities.

25 (a) As used in this section "utility" means electricity, liquefied
26 petroleum gas, and natural gas.

27 (b)(1) The gross receipts or gross proceeds derived from the sale of a
28 utility used by a grain drying and storage facility are exempt from the gross
29 receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101
30 et seq., and the compensating use tax levied by the Arkansas Compensating Tax
31 Act of 1949, § 26-53-101 et seq.

32 (2) A utility sold for a purpose other than the purposes stated
33 in subdivision (b)(1) of this section is subject to the full gross receipts
34 tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.,
35 and the full compensating use tax levied by the Arkansas Compensating Tax Act
36 of 1949, § 26-53-101 et seq.



1 (c)(1) A utility subject to the exemption provided under this section
2 shall be separately metered from a utility used for any other purpose by the
3 taxpayer.

4 (2) However, the rules promulgated under subsection (e) of this
5 section may establish additional or alternate requirements for the metering
6 of utilities under this section.

7 (d) Before allowing the exemption of a utility under this section, the
8 Director of the Department of Finance and Administration may require a seller
9 of a utility to obtain a certificate from the taxpayer, in the form
10 prescribed by the director, certifying that the taxpayer is eligible for the
11 exemption.

12 (e) The director shall promulgate rules for the proper administration
13 of this section.

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15 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the
16 first day of the calendar quarter following the effective date of this act.
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