

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

A Bill

SENATE BILL 299

5 By: Senators Teague, E. Cheatham, B. Pierce, B. Sample
6 By: Representatives Bragg, Lampkin, Wardlaw
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE SALES AND USE TAX EXEMPTION FOR
10 TIMBER HARVESTING MACHINERY, EQUIPMENT, AND RELATED
11 ATTACHMENTS; TO DECLARE AN EMERGENCY; AND FOR OTHER
12 PURPOSES.
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Subtitle

15 TO AMEND THE SALES AND USE TAX EXEMPTION
16 FOR TIMBER HARVESTING MACHINERY,
17 EQUIPMENT, AND RELATED ATTACHMENTS; AND
18 TO DECLARE AN EMERGENCY.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-52-431 is amended to read as follows:

25 26-52-431. Timber harvesting machinery, equipment, and related
26 attachments.

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

33 (b) The machinery, new or used equipment, and related attachments are
34 ~~not~~ exempt under this section unless only if 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, new or used
5 equipment, or related attachment.

6 (d) As used in this section:

7 (1) “Equipment” means only complete systems or units that
8 operate exclusively and directly in the harvesting of timber;

9 ~~(1) “Equipment used in the harvesting~~ (2) “Harvesting of
10 timber” means all the use of off-road equipment and related attachments ~~used~~
11 in every forestry procedure starting with the severing of a tree from the
12 ground through the point at which the tree or its parts in any form have been
13 loaded in the field in or on a truck or other vehicle for transport to the
14 place of use;

15 ~~(2) “Machinery or equipment”~~ (3) “Machinery” means only
16 complete systems or units that operate exclusively and directly in the
17 harvesting of timber;

18 ~~(3) (4) “Off-road equipment” means and includes~~ skidders, feller
19 bunchers, delimiters of all types, chippers of all types, loaders of all
20 types, and bulldozers equipped with grapples used as skidders; and

21 ~~(4) (5) “Primary activity” means the principal~~ business activity
22 in which a person is engaged and to which more than fifty percent (50%) of
23 all the resources of his or her business activities are committed.

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

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

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30 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the
31 General Assembly of the State of Arkansas that Arkansas’s logging businesses
32 continue to be severely impacted by high fuel costs, a declining labor force,
33 rising equipment costs, and difficulties obtaining financing; that the severe
34 decline in demand for construction lumber has amplified the financial
35 distress for Arkansas’s loggers; that the forestry community is respected as
36 an important part of Arkansas’s agricultural industry and should be afforded

1 the same sales and use tax exemptions as other agricultural producers; and
2 that this act is necessary because a sales and use tax exemption for
3 machinery, new and used equipment, and related attachments used for the
4 harvesting of timber would aid in the economic recovery of the logging
5 community and Arkansas as a whole. Therefore, an emergency is declared to
6 exist, and this act being necessary for the preservation of the public peace,
7 health, and safety shall become effective on July 1, 2013.

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