

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4
5 By: Representative Jett
6

A Bill

HOUSE BILL 1428

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 AN IRRIGATION
11 WELL OR A RICE WELL; AND FOR OTHER PURPOSES.
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Subtitle

14 TO CREATE AN EXEMPTION FROM THE SALES AND
15 USE TAX FOR UTILITIES USED BY AN
16 IRRIGATION WELL OR A RICE WELL.
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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 26-52-451. Utilities for irrigation wells and rice wells.

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 an irrigation well or a rice well are exempt from the gross
29 receipts tax levied under this chapter and the compensating use tax levied by
30 the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

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

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



1 taxpayer.

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

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

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

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