

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

SENATE BILL 253

5 By: Senator Beckham
6 By: Representative Lynch
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE SALES TAX TREATMENT OF UTILITIES
10 USED FOR CERTAIN QUALIFYING AGRICULTURAL STRUCTURES;
11 TO DEFINE THE TERM "AGRICULTURE"; AND FOR OTHER
12 PURPOSES.
13

Subtitle

16 TO AMEND THE SALES TAX TREATMENT OF
17 UTILITIES USED FOR CERTAIN QUALIFYING
18 AGRICULTURAL STRUCTURES; AND TO DEFINE
19 THE TERM "AGRICULTURE."
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21

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

24 SECTION 1. Arkansas Code § 26-52-450(a) and (b), concerning the
25 definitions under the sales tax exemption for certain utilities used for
26 qualifying agricultural structures, are amended to read as follows:

27 (a) As used in this section:

28 (1) "Agriculture" means soil preparation, seed planting, crop
29 harvesting, gardening, and viticulture;

30 ~~(1)(2)~~ "Aquaculture" means the active cultivation of
31 domesticated fish;

32 ~~(2)(3)~~ "Domesticated fish" means fish that are spawned, grown,
33 managed, harvested, and marketed on an annual, semiannual, biennial, or
34 short-term basis in waters that are confined within a pond, tank, or lake
35 that is situated entirely on the premises of a single owner and that, except
36 under abnormal flood conditions, are in no way connected by water or with any



1 other:

2 (A) Flowing stream or body of water; or

3 (B) Body of water not situated on the premises of the
4 owner;

5 ~~(3)(A)~~(4)(A) "Horticulture" means the initial production and
6 cultivation of fruits, vegetables, tree nuts, trees, shrubs, vines, and
7 florist stock.

8 (B) "Horticulture" does not include the cultivation of
9 fruits, vegetables, tree nuts, trees, shrubs, vines, and florist stock at a
10 retail or wholesale facility from which the items are sold;

11 ~~(4)~~(5) "Qualifying agricultural structure" means the following:

12 (A) A poultry or livestock facility used for commercial
13 production, including without limitation a broiler or turkey grow-out house,
14 laying house, hatching unit, nursery unit, breeding house, farrowing unit,
15 and feed-out house;

16 (B) A cattle and dairy facility, including without
17 limitation a milking parlor, milk collection unit, and refrigeration unit;
18 and

19 (C) A greenhouse used for commercial production;

20 ~~(5)~~(6) "Qualifying aquaculture, ~~or~~ agriculture, or horticulture
21 equipment" means:

22 (A) A cooling unit, collection unit, or irrigation
23 equipment used in a commercial;

24 (i) Aquaculture operation;

25 (ii) Agriculture operation; or

26 (iii) ~~horticulture~~ Horticulture operation;

27 (B) Equipment used to pump and aerate a pond used in a
28 commercial aquaculture operation; and

29 (C) A holding and sorting tank used in a commercial
30 aquaculture operation; and

31 ~~(6)~~(7) "Utility" means the following:

32 (A) Electricity;

33 (B) Liquefied petroleum gas; and

34 (C) Natural gas.

35 (b)(1) ~~Beginning January 1, 2014, the~~ The gross receipts or gross
36 proceeds derived from the sale of a utility used by the following are exempt

1 from the gross receipts tax levied by this chapter, and the compensating use
2 tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.:

3 (A) A qualifying agricultural structure used for a
4 commercial purpose; and

5 (B) Qualifying aquaculture, agriculture, or horticulture
6 equipment operated for a commercial purpose.

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

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

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