

INTERIM STUDY PROPOSAL 2025-097

State of Arkansas  
95th General Assembly  
Regular Session, 2025

## A Bill

HOUSE BILL 1464

By: Representatives Vaught, Cavanaugh

Filed with: House Committee on Agriculture, Forestry, and Economic  
Development  
pursuant to A.C.A. §10-3-217.

### For An Act To Be Entitled

AN ACT TO CREATE A SALES AND USE TAX EXEMPTION FOR  
PARTS FOR AND REPAIR OF AGRICULTURAL EQUIPMENT AND  
MACHINERY; AND FOR OTHER PURPOSES.

### Subtitle

TO CREATE A SALES AND USE TAX EXEMPTION  
FOR PARTS FOR AND REPAIR OF AGRICULTURAL  
EQUIPMENT AND MACHINERY.

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

SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is  
amended to add an additional section to read as follows:

26-52-460. Parts for and repair of agricultural equipment and  
machinery – Definitions.

(a) As used in this section:

(1)(A) "Agricultural equipment and machinery" means implements  
used exclusively and directly in farming.

(B) "Agricultural equipment and machinery" includes  
without limitation:

(i) Irrigation pipe used to carry water from an  
irrigation well to the crops produced in farming regardless of whether the  
irrigation pipe is used above ground or is buried underground;

1                   (ii) Aviation machinery and equipment; and  
2                   (iii) Implements used to harvest crops produced in  
3 farming by others.

4                   (C) "Agricultural equipment and machinery" does not  
5 include implements used in the production and severance of timber, motor  
6 vehicles of a type subject to registration, or hand tools; and

7                   (2) "Farming" means the agricultural production of food or fiber  
8 as a business or the agricultural production of grass sod or nursery products  
9 as a business.

10               (b) The gross receipts or gross proceeds derived from the sale of the  
11 following are exempt from the gross receipts tax levied by this chapter and  
12 the compensating use tax levied by the Arkansas Compensating Tax Act of 1949,  
13 § 26-53-101 et seq.:

14               (1) Parts purchased to modify, replace, or repair, in whole or  
15 in part, existing agricultural equipment and machinery; and

16               (2) Services relating to the initial installation, alteration,  
17 addition, cleaning, refinishing, replacement, or repair of agricultural  
18 equipment and machinery.

19  
20               SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the  
21 first day of the calendar quarter following the effective date of this act.

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24 Referred by Representative Vaught

25 Prepared by: AHF/AHF  
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