

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: H3/31/09

A Bill

HOUSE BILL 2165

5 By: Representative L. Cowling
6
7

For An Act To Be Entitled

9 AN ACT TO EXEMPT THE PARTS AND LABOR FOR
10 AGRICULTURAL EQUIPMENT FROM LOCAL SALES AND USE
11 TAXES; AND FOR OTHER PURPOSES.
12

Subtitle

14 TO EXEMPT THE PARTS AND LABOR FOR
15 AGRICULTURAL EQUIPMENT FROM LOCAL SALES
16 AND USE TAXES.
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 *SECTION 1. Arkansas Code § 26-52-523(a), and (b), concerning a credit*
22 *or rebate on local sales and use tax, is amended to read as follows:*

23 *(a) As used in this section:*

24 *(1) "Agricultural" means the production of food, fiber, grass*
25 *sod, nursery products, livestock, or poultry as a business;*

26 *~~(1)~~(2) "Qualifying purchase" means a purchase of tangible*
27 *personal property or a taxable service:*

28 *(A) For which the purchaser may take a business expense*
29 *deduction pursuant to 26 U.S.C. § 162, as in effect on January 1, 2007;*

30 *(B) For which the purchaser may take a depreciation*
31 *deduction pursuant to 26 U.S.C. § 167, as in effect on January 1, 2007;*

32 *(C) By an exempt organization under 26 U.S.C. § 501, as in*
33 *effect on January 1, 2007, if the purchase would be subject to a business*
34 *expense deduction or depreciation deduction if the purchaser were not an*
35 *exempt organization under 26 U.S.C. § 501, as in effect on January 1, 2007;*
36 *or*



1 (D) By a state, or any county, city, municipality, school
2 district, state-supported college or university, or any other political
3 subdivision of a state, if the purchase would be subject to a business
4 expense deduction or depreciation deduction if the purchaser were not one (1)
5 of the entities enumerated in this subdivision ~~(a)(1)(D)~~ (a)(2)(D); and
6 ~~(2)(3)~~ "Single transaction" means any sale of tangible personal
7 property or a taxable service reflected on a single invoice, receipt, or
8 statement for which an aggregate sales or use tax amount has been reported
9 and remitted to the state for a single local taxing jurisdiction.

10 (b)(1) A purchaser that pays any municipal sales or use tax in excess
11 of the tax due on the first two thousand five hundred dollars (\$2,500) of
12 gross receipts or gross proceeds ~~from a qualifying purchase of tangible~~
13 ~~personal property or a taxable service in a single transaction~~ is entitled to
14 a credit or rebate of the excess amount of municipal sales or use tax paid on
15 each single transaction, for the following:

16 (A) The sale of parts or labor for equipment used only for
17 agricultural purposes; and

18 (B) A qualifying purchase of tangible personal property or
19 a taxable service in a single transaction.

20 (2) A purchaser that pays any county sales or use tax in excess
21 of the tax due on the first two thousand five hundred dollars (\$2,500) of
22 gross receipts or gross proceeds ~~from a qualifying purchase of tangible~~
23 ~~personal property or a taxable service in a single transaction~~ is entitled to
24 a credit or rebate of the excess amount of county sales or use tax paid on
25 each single transaction, for the following:

26 (A) The sale of parts or labor for equipment used only for
27 agricultural purposes; and

28 (B) A qualifying purchase of tangible personal property or
29 a taxable service in a single transaction.

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31 SECTION 2. Effective Date. Section 1 of this act is effective on the
32 first day of the calendar quarter following the effective date of this act.
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35 /s/ L. Cowling
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