

Stricken language would be deleted from and underlined language would be added to present law.  
Act 1392 of the Regular Session

State of Arkansas  
89th General Assembly  
Regular Session, 2013

As Engrossed: 5/31/13  
**A Bill**

SENATE BILL 11

By: Senators G. Stubblefield, Hickey, B. King

By: Representatives Wardlaw, Eubanks, Deffenbaugh, B. Wilkins, Hutchison, Cozart, Gillam

### For An Act To Be Entitled

AN ACT TO CREATE AN EXEMPTION FROM THE SALES AND USE  
TAX FOR EXPENDABLE SUPPLIES FOR FARM MACHINERY; AND  
FOR OTHER PURPOSES.

### Subtitle

TO CREATE AN EXEMPTION FROM THE SALES AND  
USE TAX FOR EXPENDABLE SUPPLIES FOR FARM  
MACHINERY.

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

SECTION 1. Arkansas Code § 26-52-408 is amended to read as follows:

26-52-408. Certain bagging, packaging, or tying materials.

~~(a) Gross receipts and gross proceeds derived from the sale of bagging~~  
The gross receipts or gross proceeds derived from the sale of the following  
are exempt from the gross receipts tax levied by the Arkansas Gross Receipts  
Act of 1941, § 26-52-101 et seq., and the compensating use tax levied by the  
Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.:

(1) Bagging and other packaging and tie materials sold to and  
used by cotton gins in Arkansas for packaging or tying baled cotton ~~are~~  
~~exempt from the Arkansas gross receipts tax;~~

~~(b) Gross receipts and gross proceeds derived from the sale of~~  
~~twine which~~ (2) Twine that is used in the production of tomato crops ~~are~~  
~~exempt from the Arkansas gross receipts tax;~~ and

(3)(A) Expendable supplies for farm machinery that are used for  
baling, packaging, tying, wrapping, or sealing animal feed products.



(B) As used in this subdivision (3):

(i) "Animal feed products" means hay, straw, grass, fodder, silage, and similar products;

(ii)(a) "Expendable supplies for farm machinery" means supplies that are:

(1) Used for baling, packaging, tying, wrapping, or sealing animal feed products; and

(2) Consumed during use or disposed of after use.

(b) "Expendable supplies for farm machinery" includes without limitation baling twine, net wrap, silage wrap, and cotton wrap.

(c) "Expendable supplies for farm machinery" does not include supplies and parts used for maintenance, repair, or replacement purposes;

(iii)(a) "Farm machinery" means implements used exclusively and directly in farming.

(b) "Farm machinery" includes without limitation implements used to harvest crops produced in farming by others.

(c) "Farm machinery" does not include implements used in the production and severance of timber, motor vehicles of a type subject to registration, airplanes, or hand tools; and

(iv) "Farming" means the agricultural production of food or fiber as a business.

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

*/s/G. Stubblefield*

**APPROVED: 04/22/2013**