

Stricken language would be deleted from and underlined language would be added to present law.  
Act 1401 of the Regular Session

State of Arkansas  
89th General Assembly  
Regular Session, 2013

As Engrossed: S4/16/13  
**A Bill**

SENATE BILL 298

By: Senator J. Dismang

### For An Act To Be Entitled

AN ACT CONCERNING THE TAX TREATMENT OF UTILITIES FOR CERTAIN FACILITIES; TO CREATE AN EXEMPTION FROM THE SALES AND USE TAX FOR UTILITIES USED BY A GRAIN DRYING AND STORAGE FACILITY; AND FOR OTHER PURPOSES.

### Subtitle

TO CREATE AN EXEMPTION FROM THE SALES AND USE TAX FOR UTILITIES USED BY A GRAIN DRYING AND STORAGE FACILITY.

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:

26-52-446. Grain drying and storage facilities.

(a) As used in this section "utility" means electricity, liquefied petroleum gas, and natural gas.

(b)(1) The gross receipts or gross proceeds derived from the sale of a utility used by a grain drying and storage facility 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.

(2) A utility sold for a purpose other than the purposes stated in subdivision (b)(1) of this section is subject to the full gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the full compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.



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

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

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

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

*SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on and after July 1, 2014.*

*/s/J. Dismang*

**APPROVED: 04/22/2013**