

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S4/16/13
A Bill

SENATE BILL 299

By: Senators Teague, E. Cheatham, B. Pierce, B. Sample

By: Representatives Bragg, Lampkin, Wardlaw

For An Act To Be Entitled

AN ACT TO AMEND THE SALES AND USE TAX EXEMPTION FOR
TIMBER HARVESTING MACHINERY, EQUIPMENT, AND RELATED
ATTACHMENTS; AND FOR OTHER PURPOSES.

Subtitle

*TO AMEND THE SALES AND USE TAX EXEMPTION
FOR TIMBER HARVESTING MACHINERY,
EQUIPMENT, AND RELATED ATTACHMENTS.*

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

SECTION 1. Arkansas Code § 26-52-431 is amended to read as follows:

26-52-431. Timber harvesting machinery, equipment, and related attachments.

(a) ~~The first fifty thousand dollars (\$50,000) of the purchase price~~
The gross receipts or gross proceeds derived from the sale of machinery ~~or,~~
new and used equipment, and related attachments that are sold to or used by a
person engaged primarily in the harvesting of timber ~~shall be~~ are exempt from
the taxes levied by this chapter and the Arkansas Compensating Tax Act of
1949, § 26-53-101 et seq.

(b) The machinery, new or used equipment, and related attachments are
~~not~~ exempt under this section unless only if they are:

(1) Purchased by a person whose primary activity is the
harvesting of timber; and

(2) Used exclusively in the off-road activity of harvesting of
timber.



(c) The exemption provided in this section ~~shall~~ does not apply to a purchase of a repair or replacement part for the machinery, new or used equipment, or related attachment.

(d) As used in this section:

(1) "Equipment" means only complete systems or units that operate exclusively and directly in the harvesting of timber;

~~(1) "Equipment used in the harvesting"~~ (2) "Harvesting of timber" means all the use of off-road equipment and related attachments ~~used~~ in every forestry procedure starting with the severing of a tree from the ground through the point at which the tree or its parts in any form have been loaded in the field in or on a truck or other vehicle for transport to the place of use;

~~(2) "Machinery or equipment"~~ (3) "Machinery" means only complete systems or units that operate exclusively and directly in the harvesting of timber;

~~(3) (4) "Off-road equipment" means and includes~~ skidders, feller bunchers, delimiters of all types, chippers of all types, loaders of all types, and bulldozers equipped with grapples used as skidders; and

~~(4) (5) "Primary activity" means the principal~~ business activity in which a person is engaged and to which more than fifty percent (50%) of all the resources of his or her business activities are committed.

~~(e)(1) The exemption provided by this section may be administered as a rebate.~~

~~(2) The Director of the Department of Finance and Administration is authorized to promulgate rules to administer this exemption in the form of a rebate.~~

SECTION 2. EFFECTIVE DATE. This act is effective on and after July 1, 2014.

/s/Teague

APPROVED: 04/22/2013