

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

SENATE BILL 252

By: Senator Crowell
By: Representative D. Hodges

For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS COMPENSATING TAX ACT OF 1949; TO AMEND THE DEFINITIONS OF “MANUFACTURING” AND “PROCESSING” FOR PURPOSES OF THE USE-TAX EXEMPTION FOR MACHINERY AND EQUIPMENT USED TO RETREAD TIRES TO MATCH THEIR DEFINITIONS FOR PURPOSES OF THE SALES-TAX EXEMPTION; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE DEFINITIONS OF “MANUFACTURING” AND “PROCESSING” FOR PURPOSES OF THE USE-TAX EXEMPTION FOR MACHINERY AND EQUIPMENT USED TO RETREAD TIRES TO MATCH THEIR DEFINITIONS FOR PURPOSES OF THE SALES-TAX EXEMPTION.

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

SECTION 1. Arkansas Code § 26-53-114(b), concerning the definitions of “manufacturing” and “processing” for purposes of the use tax exemption for manufacturing machinery and equipment, is amended as follows:

(b) As used in this section, “manufacturing” or “processing” refers to and includes those operations commonly understood within their ordinary meaning and shall also include:

- (1) Mining;
- (2) Quarrying;
- (3) Refining;



- (4) Extracting oil and gas;
- (5) Cotton ginning;
- (6) Drying of rice, soybeans, and other grains;
- (7) Manufacturing of feed;
- (8) Processing of poultry and eggs and the hatching of poultry;
- (9) Printing of all kinds, types, and characters, including the services of overprinting and photographic processing incidental to printing;
- (10) Processing of scrap metal into grades and bales for further processing into steel and other metals;
- (11) Rebuilding or remanufacturing of used parts ~~and retreading of tires~~ for automobiles, trucks, and other mobile equipment powered by electrical or internal combustion engines or motors if the rebuilt or remanufactured parts ~~or retreaded tires~~ are not sold directly to the consumer but are sold for resale; ~~and~~
- (12) Retreading of tires for automobiles, trucks, and other mobile equipment powered by electrical or internal combustion engines or motors; and
- (13) Producing of protective coatings which increase the quality and durability of a finished product.

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

APPROVED: 3/21/23