

State of Arkansas  
94th General Assembly  
Regular Session, 2023

# A Bill

HOUSE BILL 1172

By: Representative Vaught

By: Senator Dees

## For An Act To Be Entitled

AN ACT TO CREATE A SALES AND USE TAX EXEMPTION FOR MORTALITY COMPOSTING DEVICES SOLD TO A COMMERCIAL LIVESTOCK OR POULTRY PRODUCER; AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE A SALES AND USE TAX EXEMPTION FOR MORTALITY COMPOSTING DEVICES SOLD TO A COMMERCIAL LIVESTOCK OR POULTRY PRODUCER.

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:

26-52-455. Mortality composting device – Definition.

(a)(1) As used in this section, "mortality composting device" means a device that:

(A) Is designed for the purposes of the biological decomposition and stabilization of organic matter under controlled aerobic conditions; and

(B) Confines the composting materials to a container or receptacle rather than a building or concrete bunker.

(2) "Mortality composting device" does not include:

(A) An attachment, accessory, or supplemental component not essential to the operation of the mortality composting device, except



when sold as party of an assembled unit;

(B) A service to maintain or repair a mortality composting device;

(C) A repair or replacement part used in maintaining or repairing a mortality composting device; or

(D) Mixing materials or other products used in the process of composting animal carcasses, including without limitation water, oxygen, nitrogen sources used in addition to the purchaser's animal mortalities, and high carbon sources, such as straw, corn stalks, sawdust, woodchips, dry bed pack, litter, and cake.

(b) The gross receipts or gross proceeds derived from the sale of a new or used mortality composting device to a person engaged in the commercial production of livestock or poultry are exempt from the gross receipts tax levied by this chapter and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

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.

**APPROVED: 4/11/23**