

SENATE AMENDMENT 1 TO sb434.

adding "Senator Hunter" to line 5 on page 1 as an additional sponsor of the bill

AND

by deleting lines 9 through 12 on page 1 and substituting the following: "_AN ACT TO PROVIDE A SALES TAX REBATE ON THE PURCHASE OF REPAIR AND REPLACEMENT PARTS FOR MANUFACTURING AND PROCESSING MACHINERY; AND FOR OTHER PURPOSES._"

AND

by deleting lines 15 through 18 on page 1 and substituting the following: "_TO PROVIDE A SALES TAX REBATE ON THE PURCHASE OF REPAIR AND REPLACEMENT PARTS FOR MANUFACTURING AND PROCESSING MACHINERY._"

AND

by deleting lines 22 through 31 on page 1 and substituting the following:

"SECTION 1. (a) Beginning January 1, 1998, there shall be a rebate of the amount of gross receipts tax paid to the supplier for the purchase of any part or parts used to repair, maintain, or partially replace machinery and equipment used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at manufacturing or processing plants or facilities in the State of Arkansas. The terms manufacturing or processing shall have the same meaning as set forth in Arkansas Code 26-52-402(b). The amount of the sales tax rebate shall be as follows:

(1) For the year beginning January 1, 1998 and ending December 31, 1998, the rebate shall be twenty percent (20%) of the amount of gross receipts tax paid;

(2) For the year beginning January 1, 1999 and ending December 31, 1999, the rebate shall be forty percent (40%) of the gross receipts tax paid;

(3) For the year beginning January 1, 2000 and ending December 31, 2000, the rebate shall be sixty percent (60%) of the gross receipts tax paid;

(4) For the year beginning January 1, 2001 and ending December 31, 2001, the rebate shall be eighty percent (80%) of the gross receipts tax paid.

(b) Beginning January 1, 2002 the gross receipts or gross proceeds derived from the sale of any part or parts used to repair, maintain, or partially replace machinery and equipment used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at manufacturing or processing plants or facilities in the State of Arkansas shall be exempt from the Arkansas Gross Receipts Act.

The terms manufacturing or processing shall have the same meaning as set forth in Arkansas Code 26-52-402(b).

(c) The Director of the Department of Finance and Administration is authorized to promulgate rules and regulations necessary to effectively administer the provisions of this act."