

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas *As Engrossed: H2/27/13 H2/28/13*

2 89th General Assembly

A Bill

3 Regular Session, 2013

HOUSE BILL 1218

4

5 By: Representatives Jean, *Alexander, D. Altes, C. Armstrong, E. Armstrong, Baine, Ballinger, Baltz,*
6 *Barnett, Biviano, Bragg, Branscum, Broadaway, Carnine, Catlett, Clemmer, Copenhaver, Cozart, Dale,*
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12 *Vines, W. Wagner, Wardlaw, Westerman, D. Whitaker, B. Wilkins, Williams, Womack, Wren, Wright*

13 By: Senators B. Sample, *Caldwell, E. Cheatham, J. Dismang, J. English, Hester, Hickey, Holland, J.*
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16

17

For An Act To Be Entitled

18

AN ACT TO REDUCE THE SALES AND USE TAX ON NATURAL GAS
19 AND ELECTRICITY USED BY MANUFACTURERS; TO DECLARE AN
20 EMERGENCY; AND FOR OTHER PURPOSES.

21

22

23

Subtitle

24

TO REDUCE THE SALES AND USE TAX ON
25 NATURAL GAS AND ELECTRICITY USED BY
26 MANUFACTURERS AND TO DECLARE AN
27 EMERGENCY.

28

29

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

31

32 SECTION 1. Arkansas Code § 26-52-319(a)-(c), concerning the sales tax
33 on natural gas and electricity used by manufacturers, is amended to read as
34 follows:

35

36

(a)(1)(A) Beginning July 1, ~~2007~~ 2013, in lieu of the gross receipts
or gross proceeds tax levied in §§ 26-52-301 and 26-52-302, there is levied



1 an excise tax on the gross receipts or gross proceeds derived from the sale
2 of natural gas and electricity to a manufacturer for use directly in the
3 actual manufacturing process at the rate of ~~four and three eighths percent~~
4 ~~(4.375%)~~ one percent (1%).

5 ~~(2) Beginning July 1, 2008, the tax rate levied in subdivision~~
6 ~~(a)(1) of this section shall be imposed at the rate of three and seven-~~
7 ~~eighths percent (3.875%).~~

8 ~~(3)(A) Beginning July 1, 2009, the tax rate levied in~~
9 ~~subdivision (a)(1) of this section shall be imposed at the rate of three and~~
10 ~~one eighth percent (3.125%).~~

11 ~~(B)(i) The Director of the Department of Finance and~~
12 ~~Administration shall monitor the amount of tax savings received by all~~
13 ~~taxpayers as a result of the reduction in the tax rate from that levied in §§~~
14 ~~26-52-301 and 26-52-302 to that levied in subdivision (a)(3)(A) of this~~
15 ~~section.~~

16 ~~(ii) When the director determines that the amount of~~
17 ~~tax savings resulting from the determination described in subdivision~~
18 ~~(a)(3)(B)(i) of this section plus any use tax savings described in § 26-53-~~
19 ~~148(a)(3)(B) would reach twenty-seven million dollars (\$27,000,000) during a~~
20 ~~fiscal year, the director shall not process any further refund claims through~~
21 ~~a refund process during the fiscal year for taxpayers seeking to claim the~~
22 ~~reduced tax rate provided by this section. The amount of twenty-seven million~~
23 ~~dollars (\$27,000,000) is intended to cover the accumulated but unclaimed~~
24 ~~reduction of sales and use tax on natural gas and electricity as provided by~~
25 ~~Acts 2007, No. 185, as well as the additional reduction provided by Acts~~
26 ~~2009, No. 695.~~

27 ~~(iii) If the director determines that discontinuing~~
28 ~~refund payments as provided in subdivision (a)(3)(B)(ii) of this section is~~
29 ~~insufficient to prevent the amount of tax savings from exceeding twenty-seven~~
30 ~~million dollars (\$27,000,000) during a fiscal year, the director may decline~~
31 ~~to accept any amended return filed by a taxpayer to claim an overpayment~~
32 ~~resulting from the reduced tax rate provided by this section for a period~~
33 ~~other than the period for which a tax return is currently due.~~

34 ~~(C)(i) Refund requests and amended returns filed with the~~
35 ~~director to claim the overpayment resulting from the reduced rate in~~
36 ~~subdivision (a)(3)(A) of this section shall be processed in the order they~~

1 ~~are received by the director. A taxpayer that does not receive a refund after~~
2 ~~the refund and amended return process has ceased under subdivision (a)(3)(B)~~
3 ~~of this section shall be given priority to receive a refund during the~~
4 ~~subsequent fiscal year. The unpaid refunds from the prior fiscal year shall~~
5 ~~be processed before any refund claims filed in the current fiscal year to~~
6 ~~claim the benefit of this section.~~

7 ~~(ii) The statute of limitations for refunds and~~
8 ~~amended returns under § 26-18-306(i)(1)(A) is extended for one (1) year to~~
9 ~~allow the payment of a refund under the process provided in subdivision~~
10 ~~(a)(3)(C)(i) of this section.~~

11 ~~(4)(A) Beginning July 1, 2011, the tax rate levied in~~
12 ~~subdivision (a)(1) of this section shall be imposed at the rate of two and~~
13 ~~five-eighths percent (2.625%).~~

14 ~~(B)(i) The Director of the Department of Finance and~~
15 ~~Administration shall monitor the amount of tax savings received by all~~
16 ~~taxpayers as a result of the reduction in the tax rate from that levied in §§~~
17 ~~26-52-301 and 26-52-302 to that levied in subdivision (a)(4)(A) of this~~
18 ~~section.~~

19 ~~(ii) When the director determines that the amount of~~
20 ~~tax savings resulting from the determination described in subdivision~~
21 ~~(a)(4)(B)(i) of this section plus any use tax savings described in § 26-53-~~
22 ~~148(a)(4)(B) would reach twenty-seven million dollars (\$27,000,000) during a~~
23 ~~fiscal year, the director shall not process any further refund claims through~~
24 ~~a refund process during the fiscal year for taxpayers seeking to claim the~~
25 ~~reduced tax rate provided by this section. The amount of twenty-seven million~~
26 ~~dollars (\$27,000,000) is intended to cover the accumulated but unclaimed~~
27 ~~reduction of sales and use tax on natural gas and electricity as provided by~~
28 ~~this section.~~

29 ~~(iii) If the director determines that discontinuing~~
30 ~~refund payments as provided in subdivision (a)(4)(B)(ii) of this section is~~
31 ~~insufficient to prevent the amount of tax savings from exceeding twenty-seven~~
32 ~~million dollars (\$27,000,000) during a fiscal year, the director may decline~~
33 ~~to accept any amended return filed by a taxpayer to claim an overpayment~~
34 ~~resulting from the reduced tax rate provided by this section for a period~~
35 ~~other than the period for which a tax return is currently due.~~

36 ~~(C)(i) Refund requests and amended returns filed with the~~

1 ~~director to claim the overpayment resulting from the reduced rate in~~
2 ~~subdivision (a)(4)(A) of this section shall be processed in the order they~~
3 ~~are received by the director. A taxpayer that does not receive a refund~~
4 ~~after the refund and amended return process has ceased under subdivision~~
5 ~~(a)(4)(B) of this section shall be given priority to receive a refund during~~
6 ~~the subsequent fiscal year. The unpaid refunds from the prior fiscal year~~
7 ~~shall be processed before any refund claims filed in the current fiscal year~~
8 ~~to claim the benefit of this section.~~

9 ~~(ii) The statute of limitations for refunds and~~
10 ~~amended returns under § 26-18-306(i)(1)(A) is extended for one (1) year to~~
11 ~~allow the payment of a refund under the process provided in subdivision~~
12 ~~(a)(4)(C)(i) of this section.~~

13 (B)(i) Beginning July 1, 2014, the gross receipts or gross
14 proceeds tax levied in §§ 26-52-301 and 26-52-302 and this section shall be
15 levied at a rate of zero percent (0%) on the sale of natural gas and
16 electricity to a manufacturer for use directly in the actual manufacturing
17 process.

18 (ii) However, the sale of natural gas and
19 electricity to a manufacturer for use directly in the actual manufacturing
20 process shall remain subject to the excise tax of one-eighth of one percent
21 (1/8 of 1%) levied in Amendment 75 to the Arkansas Constitution and the
22 temporary excise tax of one-half percent (1/2%) levied in Amendment 91 to the
23 Arkansas Constitution.

24 ~~(5) (2)~~ The taxes levied in this subsection shall be distributed
25 as follows:

26 (A) Seventy-six and six-tenths percent (76.6%) of the tax,
27 interest, penalties, and costs received by the director shall be deposited as
28 general revenues;

29 (B) Eight and five-tenths percent (8.5%) of the tax,
30 interest, penalties, and costs received by the director shall be deposited
31 into the Property Tax Relief Trust Fund; and

32 (C) Fourteen and nine-tenths percent (14.9%) of the tax,
33 interest, penalties, and costs received by the director shall be deposited
34 into the Educational Adequacy Fund.

35 ~~(6)(A) (3)(A)~~ The excise tax levied in this section applies only
36 to natural gas and electricity sold for use directly in the actual

1 manufacturing process.

2 (B) Natural gas and electricity sold for any other purpose
3 ~~shall be~~ are subject to the full gross receipts or gross proceeds tax levied
4 under §§ 26-52-301 and 26-52-302.

5 ~~(7)~~ (4) The excise tax levied in this section shall be
6 collected, reported, and paid in the same manner and at the same time as is
7 prescribed by law for the collection, reporting, and payment of all other
8 Arkansas gross receipts taxes.

9 (b) As used in this section, "manufacturer" means a:

10 (1) Manufacturer classified within sectors 31 through 33 of the
11 North American Industry Classification System, as in effect on January 1,
12 2011; or

13 (2) Generator of electric power classified within sector 22 of
14 the North American Industry Classification System, as in effect on January 1,
15 2011, that uses natural gas to operate a new or existing generating facility
16 that uses combined-cycle gas turbine technology.

17 (c)(1) Except as otherwise provided in ~~subdivision (e)(2)(C) of this~~
18 ~~section~~ this subsection, the tax rate under subsection (a) of this section
19 does not apply to a manufacturer as defined in subdivision (b)(2) of this
20 section.

21 (2) In lieu of the tax rate under subsection (a) of this
22 section, the excise tax rate levied on the gross receipts or gross proceeds
23 derived from the sale of natural gas and electricity to a manufacturer as
24 defined in subdivision (b)(2) of this section to operate a new or existing
25 facility that uses combined-cycle gas turbine technology is as follows:

26 (A) Beginning January 1, 2012, five and ~~one-eighths~~ one-
27 eighth percent (5.125%);

28 (B) Beginning January 1, 2013, four and ~~one-eighths~~ one-
29 eighth percent (4.125%); ~~and~~

30 (C) Beginning January 1, 2014, two and five-eighths
31 percent (2.625%)~~;~~;

32 (D) Beginning January 1, 2015, one percent (1%); and

33 (E)(i) Beginning July 1, 2016, the gross receipts or gross
34 proceeds tax levied in §§ 26-52-301 and 26-52-302 and this section shall be
35 levied at a rate of zero percent (0%) on the sale of natural gas and
36 electricity to a manufacturer as defined in subdivision (b)(2) of this

1 section to operate a new or existing facility that uses combined-cycle gas
 2 turbine technology.

3 (ii) However, the sale of natural gas and
 4 electricity to a manufacturer as defined in subdivision (b)(2) of this
 5 section to operate a new or existing facility that uses combined-cycle gas
 6 turbine technology shall remain subject to the excise tax of one-eighth of
 7 one percent (1/8 of 1%) levied in Amendment 75 to the Arkansas Constitution
 8 and the temporary excise tax of one-half percent (1/2%) levied in Amendment
 9 91 to the Arkansas Constitution.

10 ~~(3)(A) The amount of tax savings described in subdivision~~
 11 ~~(a)(4)(B)(i) of this section does not include any tax savings received by a~~
 12 ~~manufacturer as defined in subdivision (b)(2) of this section.~~

13 ~~(B) Manufacturers as defined in subdivision (b)(2) of this~~
 14 ~~section are not subject to the dollar limitations on refunds and amended~~
 15 ~~returns stated in subsection (a) of this section.~~

16 ~~(4) (3)~~ The taxes levied in this subsection shall be distributed
 17 in the same manner as ~~set out~~ stated in subsection (a) of this section.

18
 19 SECTION 2. Arkansas Code § 26-53-148(a)-(c), concerning the
 20 compensating use tax on natural gas and electricity used by manufacturers,
 21 are amended to read as follows:

22 (a)(1)(A) Beginning July 1, ~~2007~~ 2013, in lieu of the tax levied in §§
 23 26-53-106 and 26-53-107, there is levied an excise tax on the sales price of
 24 natural gas and electricity purchased by a manufacturer for use directly in
 25 the actual manufacturing process at the rate of ~~four and three-eighths~~
 26 ~~percent (4.375%)~~ one percent (1%).

27 ~~(2) Beginning July 1, 2008, the tax rate levied in subdivision~~
 28 ~~(a)(1) of this section shall be imposed at the rate of three and seven-~~
 29 ~~eighths percent (3.875%).~~

30 ~~(3)(A) Beginning July 1, 2009, the tax rate levied in~~
 31 ~~subdivision (a)(1) of this section shall be imposed at the rate of three and~~
 32 ~~one-eighth percent (3.125%).~~

33 ~~(B)(i) The Director of the Department of Finance and~~
 34 ~~Administration shall monitor the amount of tax savings received by all~~
 35 ~~taxpayers as a result of the reduction in the tax rate from that levied in §§~~
 36 ~~26-53-106 and 26-53-107 to that levied in subdivision (a)(3)(A) of this~~

1 ~~section.~~

2 ~~(ii) When the director determines that the amount of~~
3 ~~tax savings resulting from the determination described in subdivision~~
4 ~~(a)(3)(B)(i) of this section plus any gross receipts tax savings described in~~
5 ~~§ 26-52-319(a)(3)(B) would reach twenty-seven million dollars (\$27,000,000)~~
6 ~~during a fiscal year, the director shall not process any further refund~~
7 ~~claims through a refund process during the fiscal year for taxpayers seeking~~
8 ~~to claim the reduced tax rate provided by this section. The amount of twenty-~~
9 ~~seven million dollars (\$27,000,000) is intended to cover the accumulated but~~
10 ~~unclaimed reduction of sales and use tax on natural gas and electricity as~~
11 ~~provided by Acts 2007, No. 185, as well as the additional reduction provided~~
12 ~~by Acts 2009, No. 695.~~

13 ~~(iii) If the director determines that discontinuing~~
14 ~~refund payments as provided in subdivision (a)(3)(B)(ii) of this section is~~
15 ~~insufficient to prevent the amount of tax savings from exceeding twenty-seven~~
16 ~~million dollars (\$27,000,000) during a fiscal year, the director may decline~~
17 ~~to accept any amended return filed by a taxpayer to claim an overpayment~~
18 ~~resulting from the reduced tax rate provided by this section for a period~~
19 ~~other than the period for which a tax return is currently due.~~

20 ~~(C)(i) Refund requests and amended returns filed with the~~
21 ~~director to claim the overpayment resulting from the reduced rate in~~
22 ~~subdivision (a)(3)(A) of this section will be processed in the order they are~~
23 ~~received by the director. A taxpayer that does not receive a refund after the~~
24 ~~refund and amended return process has ceased under subdivision (a)(3)(B) of~~
25 ~~this section shall be given priority to receive a refund during the~~
26 ~~subsequent fiscal year. The unpaid refunds from the prior fiscal year shall~~
27 ~~be processed before any refund claims filed in the current fiscal year to~~
28 ~~claim the benefit of this section.~~

29 ~~(ii) The statute of limitations for refunds and~~
30 ~~amended returns under § 26-18-306(i)(1)(A) is extended for one (1) year to~~
31 ~~allow the payment of a refund under the process provided in subdivision~~
32 ~~(a)(3)(C)(i) of this section.~~

33 ~~(4)(A) Beginning July 1, 2011, the tax rate levied in~~
34 ~~subdivision (a)(1) of this section shall be imposed at the rate of two and~~
35 ~~five eighths percent (2.625%).~~

36 ~~(B)(i) The Director of the Department of Finance and~~

1 Administration shall monitor the amount of tax savings received by all
2 taxpayers as a result of the reduction in the tax rate from that levied in §§
3 26-53-106 and 26-53-107 to that levied in subdivision (a)(4)(A) of this
4 section.

5 (ii) When the director determines that the amount of
6 tax savings resulting from the determination described in subdivision
7 (a)(4)(B)(i) of this section plus any gross receipts tax savings described in
8 § 26-52-319(a)(4)(B) would reach twenty-seven million dollars (\$27,000,000)
9 during a fiscal year, the director shall not process any further refund
10 claims through a refund process during the fiscal year for taxpayers seeking
11 to claim the reduced tax rate provided by this section. The amount of twenty-
12 seven million dollars (\$27,000,000) is intended to cover the accumulated but
13 unclaimed reduction of sales and use tax on natural gas and electricity as
14 provided by this section.

15 (iii) If the director determines that discontinuing
16 refund payments as provided in subdivision (a)(4)(B)(ii) of this section is
17 insufficient to prevent the amount of tax savings from exceeding twenty-seven
18 million dollars (\$27,000,000) during a fiscal year, the director may decline
19 to accept any amended return filed by a taxpayer to claim an overpayment
20 resulting from the reduced tax rate provided by this section for a period
21 other than the period for which a tax return is currently due.

22 (C)(i) Refund requests and amended returns filed with the
23 director to claim the overpayment resulting from the reduced rate in
24 subdivision (a)(4)(A) of this section will be processed in the order they are
25 received by the director. A taxpayer that does not receive a refund after the
26 refund and amended return process has ceased under subdivision (a)(4)(B) of
27 this section shall be given priority to receive a refund during the
28 subsequent fiscal year. The unpaid refunds from the prior fiscal year shall
29 be processed before any refund claims filed in the current fiscal year to
30 claim the benefit of this section.

31 (ii) The statute of limitations for refunds and
32 amended returns under § 26-18-306(i)(1)(A) is extended for one (1) year to
33 allow the payment of a refund under the process provided in subdivision
34 (a)(4)(C)(i) of this section.

35 (B)(i) Beginning July 1, 2014, the compensating use tax
36 levied in §§ 26-53-106 and 26-53-107 and this section shall be levied at a

1 rate of zero percent (0%) on natural gas and electricity purchased by a
2 manufacturer for use directly in the actual manufacturing process.

3 (ii) However, natural gas and electricity purchased
4 by a manufacturer for use directly in the actual manufacturing process shall
5 remain subject to the excise tax of one-eighth of one percent (1/8 of 1%)
6 levied in Amendment 75 to the Arkansas Constitution and the temporary excise
7 tax of one-half percent (1/2%) levied in Amendment 91 to the Arkansas
8 Constitution.

9 ~~(5)~~ (2) The taxes levied in this subsection shall be distributed
10 as follows:

11 (A) Seventy-six and six-tenths percent (76.6%) of the tax,
12 interest, penalties, and costs received by the director shall be deposited as
13 general revenues;

14 (B) Eight and five-tenths percent (8.5%) of the tax,
15 interest, penalties, and costs received by the director shall be deposited
16 into the Property Tax Relief Trust Fund; and

17 (C) Fourteen and nine-tenths percent (14.9%) of the tax,
18 interest, penalties, and costs received by the director shall be deposited
19 into the Educational Adequacy Fund.

20 ~~(6)(A)~~ (3)(A) The excise tax levied in this section applies only
21 to natural gas and electricity purchased for use directly in the actual
22 manufacturing process.

23 (B) Natural gas and electricity purchased for any other
24 purpose shall be subject to the full compensating use tax levied under §§ 26-
25 53-106 and 26-53-107.

26 ~~(7)~~ (4) The excise tax levied in this section shall be
27 collected, reported, and paid in the same manner and at the same time as is
28 prescribed by law for the collection, reporting, and payment of all other
29 Arkansas compensating use taxes.

30 (b) As used in this section, "manufacturer" means a:

31 (1) Manufacturer classified within sectors 31 through 33 of the
32 North American Industry Classification System, as in effect on January 1,
33 2011; or

34 (2) Generator of electric power classified within sector 22 of
35 the North American Industry Classification System, as in effect on January 1,
36 2011, that uses natural gas to operate a new or existing generating facility

1 that uses combined-cycle gas turbine technology.

2 (c)(1) Except as otherwise provided in ~~subdivision (e)(2)(C) of this~~
3 ~~section~~ this subsection, the tax rate under subsection (a) of this section
4 does not apply to a manufacturer as defined in subdivision (b)(2) of this
5 section.

6 (2) In lieu of the tax rate under subsection (a) of this
7 section, the excise tax rate levied on the sales price of natural gas and
8 electricity purchased by a manufacturer as defined in subdivision (b)(2) of
9 this section to operate a new or existing facility that uses combined-cycle
10 gas turbine technology is as follows:

11 (A) Beginning January 1, 2012, five and ~~one-eighths~~ one-
12 eighth percent (5.125%);

13 (B) Beginning January 1, 2013, four and ~~one-eighths~~ one-
14 eighth percent (4.125%); ~~and~~

15 (C) Beginning January 1, 2014, two and five-eighths
16 percent (2.625%);

17 (D) Beginning January 1, 2015, one percent (1%); and

18 (E)(i) Beginning July 1, 2016, the compensating use tax
19 levied in §§ 26-53-106 and 26-53-107 and this section shall be levied at a
20 rate of zero percent (0%) on natural gas and electricity purchased by a
21 manufacturer as defined in subdivision (b)(2) of this section to operate a
22 new or existing facility that uses combined-cycle gas turbine technology.

23 (ii) However, natural gas and electricity purchased
24 by a manufacturer as defined in subdivision (b)(2) of this section to operate
25 a new or existing facility that uses combined-cycle gas turbine technology
26 shall remain subject to the excise tax of one-eighth of one percent (1/8 of
27 1%) levied in Amendment 75 to the Arkansas Constitution and the temporary
28 excise tax of one-half percent (1/2%) levied in Amendment 91 to the Arkansas
29 Constitution.

30 ~~(3)(A) The amount of tax savings described in subdivision~~
31 ~~(a)(4)(B)(i) of this section does not include any tax savings received by a~~
32 ~~manufacturer as defined in subdivision (b)(2) of this section.~~

33 ~~(B) Manufacturers as defined in subdivision (b)(2) of this~~
34 ~~section are not subject to the dollar limitations on refunds and amended~~
35 ~~returns stated in subsection (a) of this section.~~

36 ~~(4)~~ (3) The taxes levied in this subsection shall be distributed

1 in the same manner as ~~set out~~ stated in subsection (a) of this section.

2
3 *SECTION 3. Arkansas Code § 19-5-1103(b), concerning the Property Tax*
4 *Relief Trust Fund, is amended to read as follows:*

5 *(b) The fund shall consist of such revenues as generated by §§ 26-52-*
6 *302(c), 26-52-317(c)(1)(B), ~~26-52-319(a)(3)(B)~~, 26-53-107(c), 26-53-*
7 *145(c)(1)(B), ~~26-53-148(a)(3)(B)~~, 26-56-201(g)(1)(C), and 26-56-224(c)(2),*
8 *and shall be used for such purposes as set out in § 26-26-310.*

9
10 *SECTION 4. Arkansas Code § 19-5-1227(b)(3), concerning the moneys*
11 *included in the Educational Adequacy Fund, is amended to read as follows:*

12 *(3) The revenues generated by §§ 26-52-302(d), 26-52-316, 26-52-*
13 *317(c)(1)(C), ~~26-52-319(a)(3)(G)~~, 26-53-107(d), 26-53-145(c)(1)(C), ~~26-53-~~*
14 *~~148(a)(3)(G)~~, 26-56-201(g)(1)(B), 26-56-224(c)(3), and 26-57-*
15 *1002(d)(1)(A)(ii); and*

16
17 *SECTION 5. Arkansas Code § 19-6-201(59), concerning the enumeration of*
18 *general revenues, is repealed.*

19 ~~*(59) Seventy-six and six-tenths percent (76.6%) of the tax,*~~
20 ~~*interest, penalties, and costs received on excise taxes levied on the gross*~~
21 ~~*receipts or gross proceeds derived from the sale of natural gas and*~~
22 ~~*electricity to a manufacturer for use directly in the actual manufacturing*~~
23 ~~*process, § 26-52-319(a)(3)(A);*~~

24
25 *SECTION 6. Arkansas Code § 19-6-201(61), concerning the enumeration of*
26 *general revenues, is repealed.*

27 ~~*(61) Seventy-six and six-tenths percent (76.6%) of the tax,*~~
28 ~~*interest, penalties, and costs received on excise taxes levied on the sales*~~
29 ~~*price of natural gas and electricity purchased by a manufacturer for use*~~
30 ~~*directly in the actual manufacturing process, § 26-53-148(a)(3)(A);*~~

31
32 *SECTION 7. EMERGENCY CLAUSE. It is found and determined by the*
33 *General Assembly of the State of Arkansas that the costs of manufacturing*
34 *continue to rise; that the Arkansas unemployment rate continues to be high;*
35 *that the economy has dramatically affected manufacturers, resulting in*
36 *layoffs of numerous Arkansans; that reducing the sales and use tax on natural*

1 gas and electricity used by manufacturers would provide manufacturers with
2 additional revenues to support an increase in their number of employees,
3 which would increase production and provide lucrative employment for
4 Arkansans; and that this act is necessary to aid the continual recovery of
5 the Arkansas economy. Therefore, an emergency is declared to exist, and this
6 act being necessary for the preservation of the public peace, health, and
7 safety shall become effective on July 1, 2013.

8
9 */s/Jean*

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