

State of Arkansas  
89th General Assembly  
Regular Session, 2013

# A Bill

HOUSE BILL 1281

By: Representatives Shepherd, Baine  
By: Senator B. Pierce

## For An Act To Be Entitled

AN ACT TO AMEND THE SALES AND USE TAX EXEMPTION FOR  
CERTAIN MACHINERY AND EQUIPMENT; AND FOR OTHER  
PURPOSES.

### Subtitle

TO AMEND THE SALES AND USE TAX EXEMPTION  
FOR CERTAIN MACHINERY AND EQUIPMENT.

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

SECTION 1. Arkansas Code § 26-52-402(a)(3), concerning the sales tax exemption for certain machinery and equipment, is amended to read as follows:

(3)(A) Gross receipts or gross proceeds derived from the sale of tangible personal property consisting of machinery and equipment required by state or federal law or regulations to be installed and utilized by manufacturing and processing plants or facilities, cities, or towns in this state to prevent or reduce air or water pollution or contamination ~~which that~~ might otherwise result from the operation of the plant ~~or,~~ facility, city, or town.

(B) As used in this subdivision (a)(3), "machinery and equipment required by state or federal law or regulations to be installed and utilized by manufacturing and processing plants or facilities" includes:

(i) Machinery and equipment required by state or federal law or regulations to be used in the refining of petroleum-based products to remove sulfur pollutants from the refined product; and

(ii) Any repair parts and repair labor for machinery



or equipment required by state or federal law or regulations to be used in the refining of petroleum-based products to remove sulfur pollutants from the refined product.

SECTION 2. Arkansas Code § 26-53-114(a)(3), concerning the use tax exemption for certain machinery and equipment, is amended to read as follows:

(3)(A) Machinery and equipment required by state or federal law or regulations to be installed and utilized by manufacturing or processing plants or facilities ~~or, cities, or towns~~ in this state to prevent or reduce air or water pollution or contamination ~~which~~ that might otherwise result from the operation of the ~~plants or plant, facility or, city, or town.~~

(B) As used in this subdivision (a)(3), "machinery and equipment required by state or federal law or regulations to be installed and utilized by manufacturing and processing plants or facilities" includes:

(i) Machinery and equipment required by state or federal law or regulations to be used in the refining of petroleum-based products to remove sulfur pollutants from the refined product; and

(ii) Any repair parts and repair labor for machinery or equipment required by state or federal law or regulations to be used in the refining of petroleum-based products to remove sulfur pollutants from the refined product.

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective on the first day of the calendar quarter following the effective date of this act.