

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1516

By: Representatives Ratliff, Baltz, Jett

By: Senator R. Thompson

For An Act To Be Entitled

AN ACT TO CREATE AN EXEMPTION FROM THE SALES AND USE
TAX FOR UTILITIES USED BY PEANUT FACILITIES; AND FOR
OTHER PURPOSES.

Subtitle

TO CREATE AN EXEMPTION FROM THE SALES AND
USE TAX FOR UTILITIES USED BY PEANUT
FACILITIES.

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:

26-52-446. Utilities used for qualifying agricultural structures and
qualifying aquaculture and horticulture equipment.

(a) As used in this section:

(1) "Peanut facility" means a facility that:

(A) Dries and cleans harvested peanuts;

(B) Facilitates United States Department of Agriculture
grading; or

(C) Stores dried peanuts before the peanuts are delivered
to a shelling facility; and

(2) "Utility" means the following:

(A) Electricity;

(B) Liquefied petroleum gas; and

(C) Natural gas.



(b)(1) The gross receipts or gross proceeds derived from the sale of a utility used by a peanut facility are exempt from the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(2) A utility sold for any purpose other than the purpose stated in subdivision (b)(1) of this section is subject to the full gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the full compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(c)(1) A utility subject to the exemption provided under this section shall be separately metered from a utility used for any other purpose by the taxpayer.

(2) However, the rules promulgated under subsection (e) of this section may establish additional or alternate requirements for the metering of utilities under this section.

(d) Before allowing the exemption of a utility under this section, the Director of the Department of Finance and Administration may require a seller of a utility to obtain a certificate from the taxpayer, in the form prescribed by the director, certifying that the taxpayer is eligible for the exemption.

(e) The director shall promulgate rules for the proper administration of this section.

SECTION 2. Section 1 of this act is effective on the first day of the calendar quarter following the effective date of this act.