

State of Arkansas  
89th General Assembly  
Regular Session, 2013

# A Bill

HOUSE BILL 2143

By: Representative Westerman

## For An Act To Be Entitled

AN ACT TO CREATE AN EXEMPTION FROM SALES AND USE TAX FOR CONSTRUCTION MATERIALS PURCHASED WITH PUBLICLY FUNDED BONDS AND USED FOR PUBLIC ROAD CONSTRUCTION PROJECTS; AND FOR OTHER PURPOSES.

### Subtitle

TO CREATE AN EXEMPTION FROM SALES AND USE TAX FOR CONSTRUCTION MATERIALS PURCHASED WITH PUBLICLY FUNDED BONDS AND USED FOR PUBLIC ROAD CONSTRUCTION PROJECTS.

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. Construction materials for publicly funded road construction projects.

(a) As used in this section:

(1)(A) "Eligible construction material" means an item of tangible personal property used directly as part of a public road construction project, including without limitation construction materials and consumables that are used in a public road construction project that will remain part of the completed public road construction project or are consumed in the construction process.

(B) "Eligible construction material" does not include construction equipment and tools, motor vehicle fuel, and other items of tangible personal property that may be used for purposes of a public road



construction project that do not remain part of the public road construction project or are not consumed during the construction process;

(2) "Public entity" means the state or a political subdivision of the state;

(3)(A) "Public road construction project" means a road construction project initiated by a public entity and paid for with publicly funded bonds.

(B) "Public road construction project" includes only the portion of the road construction project that is paid for with publicly funded bonds;

(4) "Publicly funded bonds" means bonds paid for with funds or guarantees from a public entity; and

(5) "Road construction project" means the construction, restoration, reconstruction, renovation, or repair of a road, highway, street, bridge, overpass, interchange, or right-of-way.

(b) The gross receipts or gross proceeds derived from the sale of an eligible construction material 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.

(c) The Director of the Department of Finance and Administration shall promulgate rules to implement this section.

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.