

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 801

By: Senators Rapert, Maloch

For An Act To Be Entitled

AN ACT TO EXEMPT FROM SALES AND USE TAXES SAND AND
OTHER PROPPANTS USED DIRECTLY IN CERTAIN
MANUFACTURING PROCESSES; AND FOR OTHER PURPOSES.

Subtitle

TO EXEMPT FROM SALES AND USE TAXES SAND
AND OTHER PROPPANTS USED DIRECTLY IN
CERTAIN MANUFACTURING PROCESSES.

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

SECTION 1. Arkansas Code § 26-52-402(c)(2)(B), concerning the sales and use tax exemption for certain machinery and equipment used directly in the manufacturing process, is amended to read as follows:

(B) Machinery and equipment “used directly” in the manufacturing process includes without limitation the following:

(i) Molds, frames, cavities, and forms that determine the physical characteristics of the finished product or its packaging material at any stage of the manufacturing process;

(ii) Dies, tools, and devices attached to or a part of a unit of machinery that determine the physical characteristics of the finished product or its packaging material at any stage of the manufacturing process;

(iii) Testing equipment to measure the quality of the finished product at any stage of the manufacturing process;

(iv) Computers and related peripheral equipment that directly control or measure the manufacturing process;



(v) Machinery and equipment that produce steam, electricity, or chemical catalysts and solutions that are essential to the manufacturing process but which are consumed during the course of the manufacturing process and do not become necessary and integral parts of the finished product; and

(vi) ~~Sand and other proppants used to complete a new oil or gas well or to re-complete, redrill, or expand an existing oil or gas well~~ Sand and other proppants used to complete a new oil or gas well or to re-complete, redrill, or expand an existing oil or gas well; and

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.