

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

State of Arkansas
90th General Assembly
Regular Session, 2015

As Engrossed: S3/17/15
A Bill

SENATE BILL 833

By: Senator Maloch

For An Act To Be Entitled

AN ACT TO AMEND THE VALUATION PROCEDURES USED FOR PURPOSES OF AD VALOREM TAXES; TO PROVIDE A VALUATION METHOD FOR NATURAL GAS PIPING AND EQUIPMENT USED IN A NATURAL GAS PRODUCTION; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE VALUATION PROCEDURES USED FOR PURPOSES OF AD VALOREM TAXES; AND TO PROVIDE A VALUATION METHOD FOR NATURAL GAS PIPING AND EQUIPMENT USED IN A NATURAL GAS PRODUCTION.

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

SECTION 1. Arkansas Code § 26-26-1202(c), concerning the valuation procedures used for purposes of ad valorem taxation, is amended to add additional subdivisions to read as follows:

(3) Piping and equipment located downstream of the inlet side of the first meter measuring gas at the site of a natural gas production and upstream of the point of custody transfer shall be valued at the greater of:

(A) The owner's original cost, less total depreciation calculated using a twenty-year straight line depreciation schedule; or

(B) Twenty-five percent (25%) of the owner's original cost.

(4) Piping and equipment for a marginal gas well, as defined in § 26-58-101, located downstream of the inlet side of the first meter measuring gas at the site of a natural gas production and upstream of the



point of custody transfer shall be valued at twenty-five percent (25%) of the greater of:

(A) The owner's original cost, less total depreciation calculated using a twenty-year straight line depreciation schedule; or

(B) Twenty-five percent (25%) of the owner's original cost.

SECTION 2. EFFECTIVE DATE. This act is effective for assessment years beginning on or after January 1, 2015.

/s/Maloch