

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 261

By: Senator T. Garner

For An Act To Be Entitled

AN ACT TO PROVIDE A SALES AND USE TAX EXEMPTION FOR
TIMBER MACHINERY AND EQUIPMENT; TO PROVIDE THAT THE
SALES AND USE TAX EXEMPTION FOR TIMBER MACHINERY AND
EQUIPMENT BE ADMINISTERED AS A REBATE; AND FOR OTHER
PURPOSES.

Subtitle

TO PROVIDE A SALES AND USE TAX EXEMPTION
FOR TIMBER MACHINERY AND EQUIPMENT.

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:

26-52-452. Timber machinery and equipment.

(a) As used in this section:

(1)(A) "All-terrain vehicle" means a vehicle that:

(i) Has three (3), four (4), or six (6) wheels;

(ii) Is fifty inches (50") or less in width;

(iii) Is equipped with nonhighway tires; and

(iv) Has an engine displacement of no more than one

thousand cubic centimeters (1,000 cc).

(B) "All-terrain vehicle" does not include a golf cart, riding lawnmower, or lawn or garden tractor;

(2) "Member of the timber industry" means a person who is engaged primarily in the commercial production, harvesting, or processing of timber; and



(3)(A) "Timber machinery and equipment" means implements used exclusively in the production, harvesting, or processing of timber.

(B) "Timber machinery and equipment" includes without limitation all-terrain vehicles.

(C) "Timber machinery and equipment" does not include:

(i) Machinery and equipment exempt under § 26-52-431;

(ii) Motor vehicles that are subject to registration and licensing for use on the highways; and

(iii) Hand tools.

(b) The gross receipts or gross proceeds derived from the sale of timber machinery and equipment to a member of the timber industry are exempt from the gross receipts tax levied by this chapter and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(c) To the extent that the exemption provided for under this section applies to an all-terrain vehicle, the exemption shall be administered as a rebate.

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.