

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1196

By: Representatives Christiansen, Beck

For An Act To Be Entitled

AN ACT TO PROVIDE A SALES AND USE TAX EXEMPTION FOR CERTAIN UTILITIES USED BY A POULTRY FARM; TO REQUIRE THE ADOPTION OF RULES RELATED TO THE CREATION OF A SALES AND USE TAX EXEMPTION FOR CERTAIN UTILITIES USED BY A POULTRY FARM; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE A SALES AND USE TAX EXEMPTION FOR WATER USED BY A POULTRY FARM; AND TO REQUIRE THE ADOPTION OF RELATED RULES.

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:

26-52-453. Water used in poultry farming.

(a) As used in this section, "poultry farm" means a facility used for the commercial production of poultry, including without limitation a broiler or turkey grow-out house, laying house, hatching unit, nursery unit, and breeding house.

(b)(1) The gross receipts or gross proceeds derived from the sale of water that is used exclusively in the operation of a poultry farm 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.

(2) Water 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 this chapter and the full compensating use tax levied by the



Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(c)(1) Water subject to the exemption provided under this section shall be separately metered from water 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 water under this section.

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

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

SECTION 2. DO NOT CODIFY. Rules.

(a) When adopting the initial rules required under this act, the Secretary of the Department of Finance and Administration shall file the final rules with the Secretary of State for adoption under § 25-15-204(f):

(1) On or before October 1, 2021; or

(2) If approval under § 10-3-309 has not occurred by October 1, 2021, as soon as practicable after approval under § 10-3-309.

(b) The secretary shall file the proposed rules with the Legislative Council under § 10-3-309(c) sufficiently in advance of October 1, 2021, so that the Legislative Council may consider the rules for approval before October 1, 2021.

SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective on the first day of the calendar quarter following the effective date of this act.