

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

State of Arkansas
93rd General Assembly
Regular Session, 2021

As Engrossed: H3/8/21
A Bill

HOUSE BILL 1628

By: Representatives Hudson, Ennett, Jett

For An Act To Be Entitled

AN ACT TO AMEND THE TAX TREATMENT OF CERTAIN
MANUFACTURING EQUIPMENT FOR SOLAR ENERGY PRODUCTION;
TO DEFINE "QUALIFYING SOLAR EQUIPMENT"; TO EXEMPT THE
SALE OF QUALIFYING SOLAR EQUIPMENT FROM SALES AND USE
TAX; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE TAX TREATMENT OF CERTAIN
MANUFACTURING EQUIPMENT FOR SOLAR ENERGY
PRODUCTION; TO DEFINE "QUALIFYING SOLAR
EQUIPMENT"; AND TO EXEMPT THE SALE OF
QUALIFYING SOLAR EQUIPMENT FROM SALES AND
USE TAX.

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. Manufacturing equipment for solar energy production - Definition.

(a)(1) As used in this section, "qualifying solar equipment" means equipment that is:

(A) Designed to:

(1) Capture and store solar energy and convert it to electricity; and

(2) Produce up to a maximum peak output of twenty megawatts (20 MW) alternating current of electricity; and



(B) Purchased to be used for any purpose by a:

(i) Business entity;

(ii) Municipality, county, or other political subdivision;

(iii) School district, state agency, or public institution of higher education; or

(iv) Person or corporation, including without limitation its lessees, trustees, and receivers, who own or operate in this state equipment or facilities for:

(a) Producing, generating, transmitting, delivering, or furnishing gas, electricity, steam, or another agent for the production of light, heat, or power to or for the public for compensation; or

(b) Diverting, developing, pumping, impounding, distributing, or furnishing water to or for the public for compensation.

(2) "Qualifying solar equipment" includes without limitation the solar modules, inverters, wiring, racking and tracking equipment, batteries, and other component parts of the equipment.

(b) The gross receipts or gross proceeds derived from the sale of qualifying solar equipment 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.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the first day of the second calendar month following the effective date of this act.

/s/Hudson