

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: S2/22/21  
**A Bill**

SENATE BILL 253

By: Senator Beckham  
By: Representatives Lynch, *Coleman*

### **For An Act To Be Entitled**

AN ACT TO AMEND THE SALES TAX TREATMENT OF UTILITIES  
USED FOR CERTAIN QUALIFYING AGRICULTURAL STRUCTURES;  
TO DEFINE THE TERM "AGRICULTURE"; AND FOR OTHER  
PURPOSES.

### **Subtitle**

TO AMEND THE SALES TAX TREATMENT OF  
UTILITIES USED FOR CERTAIN QUALIFYING  
AGRICULTURAL STRUCTURES; AND TO DEFINE  
THE TERM "AGRICULTURE."

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

SECTION 1. Arkansas Code § 26-52-450(a) and (b), concerning the definitions under the sales tax exemption for certain utilities used for qualifying agricultural structures, are amended to read as follows:

(a) As used in this section:

(1) "Agriculture" means soil preparation, seed planting, crop harvesting, gardening, and viticulture;

~~(1)~~(2) "Aquaculture" means the active cultivation of domesticated fish;

~~(2)~~(3) "Domesticated fish" means fish that are spawned, grown, managed, harvested, and marketed on an annual, semiannual, biennial, or short-term basis in waters that are confined within a pond, tank, or lake that is situated entirely on the premises of a single owner and that, except under abnormal flood conditions, are in no way connected by water or with any



other:

- (A) Flowing stream or body of water; or
- (B) Body of water not situated on the premises of the

owner;

~~(3)(A)~~(4)(A) “Horticulture” means the initial production and cultivation of fruits, vegetables, tree nuts, trees, shrubs, vines, and florist stock.

(B) “Horticulture” does not include the cultivation of fruits, vegetables, tree nuts, trees, shrubs, vines, and florist stock at a retail or wholesale facility from which the items are sold;

~~(4)~~(5) “Qualifying agricultural structure” means the following:

(A) A poultry or livestock facility used for commercial production, including without limitation a broiler or turkey grow-out house, laying house, hatching unit, nursery unit, breeding house, farrowing unit, and feed-out house;

(B) A cattle and dairy facility, including without limitation a milking parlor, milk collection unit, and refrigeration unit; and

(C) A greenhouse used for commercial production;

~~(5)~~(6) “Qualifying aquaculture, ~~or~~ agriculture, or horticulture equipment” means:

(A) A cooling unit, collection unit, or irrigation equipment used in a commercial;

(i) Aquaculture operation;

(ii) Agriculture operation; or

(iii) ~~horticulture~~ Horticulture operation;

(B) Equipment used to pump and aerate a pond used in a commercial aquaculture operation; and

(C) A holding and sorting tank used in a commercial aquaculture operation; and

~~(6)~~(7) “Utility” means the following:

(A) Electricity;

(B) Liquefied petroleum gas; and

(C) Natural gas.

(b)(1) ~~Beginning January 1, 2014, the~~ The gross receipts or gross proceeds derived from the sale of a utility used by the following 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.:

(A) A qualifying agricultural structure used for a commercial purpose; and

(B) Qualifying aquaculture, agriculture, or horticulture equipment operated for a commercial purpose.

(2) A utility sold for any purpose other than the purposes 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.

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/Beckham*