

Title 26. Taxation

Chapter I. Generally, Department of Finance and Administration

Subchapter B. Sales and Use Tax

Part 37. Sales and Use Tax Exemption for Water Used for Commercial Production of Poultry

Codification Notes. This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"Source: Ark. Code Ann. § 26-52-453."

Subpart 1. Generally

26 CAR § 37-101. Definitions.

As used in this part:

(1) "Commercial poultry water sales tax exemption certificate" or "exemption certificate" means the certificate provided by the purchaser of water for exclusive use in the operation of a poultry farm attesting to the purchaser's entitlement to the exemption;

(2) "Poultry" means:

(A) Chickens;

(B) Turkeys;

(C) Ducks;

(D) Geese; and

(E) Any other domesticated birds that are edible by humans; and

(3) "Poultry farm" means a facility used for the commercial production of poultry, including a:

(A) Broiler or turkey grow-out house;

(B) Laying house;

(C) Hatching unit;

- (D) Nursery unit; and
- (E) Breeding house.

Authority. Arkansas Code § 26-52-453.

26 CAR § 37-102. Exemption from tax.

(a) The sale of water for exclusive use in the operation of a poultry farm is exempt from the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, Arkansas Code § 26-52-101 et seq., and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, Arkansas Code § 26-53-101 et seq., when the conditions of this part are met.

(b) The water must be separately metered by the water utility or provider for the exclusive use of the poultry farm to qualify for the exemption in subsection (a) of this section.

Authority. Arkansas Code § 26-52-453.

26 CAR § 37-103. Water provider requirements.

(a) At or before the installation of the separate meter to comply with 26 CAR § 37-102(b), the water utility or provider must obtain a commercial poultry water sales tax exemption certificate from the purchaser certifying that the poultry farm is eligible for the exemption.

(b)(1) The water utility or provider must retain the exemption certificates provided at the time of the separate metering that certifies each meter is for exclusive use in the commercial production of poultry.

(2) A direct pay permit holder must retain a copy of the exemption certificate required by subsection (a) of this section to claim the exemption for water that is used exclusively in the commercial production of poultry.

Authority. Arkansas Code § 26-52-453.

Appendix A. Commercial Poultry Water Sales Tax Exemption Certification

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/220/26CARpt.37Appendix.pdf>