

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

# A Bill

HOUSE BILL 1516

5 By: Representatives Ratliff, Baltz, Jett  
6 By: Senator R. Thompson  
7

## For An Act To Be Entitled

9 AN ACT TO CREATE AN EXEMPTION FROM THE SALES AND USE  
10 TAX FOR UTILITIES USED BY PEANUT FACILITIES; AND FOR  
11 OTHER PURPOSES.  
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## Subtitle

15 TO CREATE AN EXEMPTION FROM THE SALES AND  
16 USE TAX FOR UTILITIES USED BY PEANUT  
17 FACILITIES.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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22 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended  
23 to add an additional section to read as follows:

24 26-52-446. Utilities used for qualifying agricultural structures and  
25 qualifying aquaculture and horticulture equipment.

26 (a) As used in this section:

27 (1) "Peanut facility" means a facility that:

28 (A) Dries and cleans harvested peanuts;

29 (B) Facilitates United States Department of Agriculture  
30 grading; or

31 (C) Stores dried peanuts before the peanuts are delivered  
32 to a shelling facility; and

33 (2) "Utility" means the following:

34 (A) Electricity;

35 (B) Liquefied petroleum gas; and

36 (C) Natural gas.



1       (b)(1) The gross receipts or gross proceeds derived from the sale of a  
2 utility used by a peanut facility are exempt from the gross receipts tax  
3 levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and  
4 the compensating use tax levied by the Arkansas Compensating Tax Act of 1949,  
5 § 26-53-101 et seq.

6       (2) A utility sold for any purpose other than the purpose stated  
7 in subdivision (b)(1) of this section is subject to the full gross receipts  
8 tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.,  
9 and the full compensating use tax levied by the Arkansas Compensating Tax Act  
10 of 1949, § 26-53-101 et seq.

11       (c)(1) A utility subject to the exemption provided under this section  
12 shall be separately metered from a utility used for any other purpose by the  
13 taxpayer.

14       (2) However, the rules promulgated under subsection (e) of this  
15 section may establish additional or alternate requirements for the metering  
16 of utilities under this section.

17       (d) Before allowing the exemption of a utility under this section, the  
18 Director of the Department of Finance and Administration may require a seller  
19 of a utility to obtain a certificate from the taxpayer, in the form  
20 prescribed by the director, certifying that the taxpayer is eligible for the  
21 exemption.

22       (e) The director shall promulgate rules for the proper administration  
23 of this section.

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25       SECTION 2. Section 1 of this act is effective on the first day of the  
26 calendar quarter following the effective date of this act.  
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