

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011

A Bill

HOUSE BILL 1553

4
5 By: Representative Westerman

For An Act To Be Entitled

8 AN ACT TO CREATE AN EXEMPTION FROM SALES AND USE TAX
9 FOR CONSTRUCTION MATERIALS PAID FOR WITH PUBLICLY
10 FUNDED BONDS AND USED FOR PUBLIC ROAD CONSTRUCTION
11 PROJECTS; AND FOR OTHER PURPOSES.

Subtitle

15 CREATE AN EXEMPTION FROM SALES AND USE
16 TAX FOR CONSTRUCTION MATERIALS PAID FOR
17 WITH PUBLICLY FUNDED BONDS AND USED FOR
18 PUBLIC ROAD CONSTRUCTION PROJECTS.

19
20
21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22
23 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
24 to add an additional section to read as follows:

25 26-52-444. Construction materials for publicly funded road
26 construction projects.

27 (a) As used in this section:

28 (1) "Eligible construction material" means an item or product
29 used directly as part of a public road construction project;

30 (2) "Public entity" means the state, a political subdivision of
31 the state, or the United States Government;

32 (3)(A) "Public road construction project" means a road
33 construction project initiated by a public entity and paid for with publicly
34 funded bonds.

35 (B) "Public road construction project" includes only the
36 portion of the road construction project that is paid for with publicly



1 funded bonds;

2 (4) "Publicly funded bonds" means bonds paid for with funds or
 3 guarantees from a public entity; and

4 (5) "Road construction project" means the construction,
 5 restoration, reconstruction, renovation, or repair of a road, highway,
 6 street, bridge, overpass, interchange, or right-of-way.

7 (b) The gross receipts or gross proceeds derived from the sale of an
 8 eligible construction material are exempt from the gross receipts tax levied
 9 by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the
 10 compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §
 11 26-53-101 et seq.

12 (c) The Director of the Department of Finance and Administration shall
 13 promulgate rules to implement this section.

14
 15 SECTION 2. Effective Date. Section 1 of this act is effective on and
 16 after July 1, 2012.

17
 18
 19
 20
 21
 22
 23
 24
 25
 26
 27
 28
 29
 30
 31
 32
 33
 34
 35
 36