

## **STATEMENT OF IMMINENT PERIL**

Act 1693 of 2005, which went into effect on July 1, 2005, requires that upon the payment of sales or use tax on heavy equipment, a decal shall be affixed to the heavy equipment as proof that either Arkansas tax has been paid on the equipment or that it is exempt from tax. On November 15, 2005, the Department of Finance and Administration promulgated Rule 2005-4 for the purpose of implementing Act 1693. Rule 2005-4 defines "heavy equipment" to include "wheel tractors." However, Rule 2005-4 also provides that "heavy equipment" does not include "wheel tractors less than 20HP." This has resulted in much confusion among dealers in determining when a decal must be affixed. This amendment clarifies that farm tractors and small tractors used for gardening, mowing, etc. are not "heavy equipment" for purposes of Act 1693.

Consequently, the Chief Fiscal Officer hereby determines that without this amendment there will be confusion concerning the procedure for affixing the decals and that the Department of Finance and Administration will be hampered in the uniform and orderly implementation of the provisions of Act 1693 of 2005. Further, it is imperative that this amendment be set quickly in place, as we are fast approaching the spring season and many individuals will be purchasing farm and garden tractors. Therefore, it is determined that a state of imminent peril exists requiring the adoption of this amended regulation on an emergency basis as provided in Ark. Code Ann. § 25-15-204, and that this amended regulation shall be effective on and after February 17, 2006.

Issued this 17th day of February 2006.

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Richard A. Weiss, Director  
Arkansas Department of Finance and  
Administration and Chief Fiscal Officer

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Tim Leathers, Deputy Director  
and Commissioner of Revenue