

ARKANSAS REGISTER

Transmittal Sheet

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For Office

Use Only:

Effective Date _____ Code Number _____

Name of Agency Department of Finance and Administration

Department Revenue Services

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Statutory Authority for Promulgating Rules Ark code Ann §19-3-704(a)(4)

Rule Title: Sales and Use Tax Exemption for Water Used for Commercial Production of Poultry

Intended Effective Date

(Check One)

☐ Emergency (ACA 25-15-204)

☒ 10 Days After Filing (ACA 25-15-204)

☐ Other _____
(Must be more than 10 days after filing date.)

Legal Notice Published

Final Date for Public Comment

Reviewed by Legislative Council

Adopted by State Agency

Date

6/16-18/2022

7/18/2022

8/25/2022

8/26/2022

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Susan Richards

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9/16/2022

Contact Person

E-mail Address

Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

Signature

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Phone Number

E-mail Address

Problems Resolution Officer

Title

9/16/22 9/16/22

Date

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

GR-44 EXEMPTIONS FROM TAX – WATER USED FOR COMMERCIAL PRODUCTION OF POULTRY

I. Definitions

As used in this Rule:

A. “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;

B. “Poultry” means chickens, turkeys, ducks, geese, and any other domesticated birds that are edible by humans; and

C. “Poultry farm” means a facility used for the commercial production of poultry, including a broiler or turkey grow-out house, laying house, hatching unit, nursery unit, and breeding house.

II. 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 Tax Act of 1941, Ark. Code Ann. § 26-52-101 *et seq.* and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, Ark. Code Ann. § 26-53-101 *et seq.* when the conditions of this Rule 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 II.A.

III. Water Provider Requirements

A. At or before the installation of the separate meter to comply with II.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 III.A to claim the exemption for water that is used exclusively in the commercial production of poultry.

Source: Ark. Code Ann. § 26-52-453.

Commercial Poultry Water Sales Tax Exemption Certification

I, _____ am engaged in the production of
(purchaser's name - please print)

Poultry as a commercial farming business. The water I am purchasing through the separate meter No. _____ will be used exclusively in the commercial production of poultry on a poultry farm. I am aware that this claim for exemption will be reviewed by the Department of Finance and Administration. I am also aware that any false representation made by me in an attempt to purchase water free from Arkansas sales tax will result in the assessment of tax, penalty, and interest against me and is punishable as a misdemeanor under Arkansas law.

Signature of Purchaser

Date

Telephone Number

Address

City

State

Zip