

ARKANSAS REGISTER

Transmittal Sheet



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SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS

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Secretary of State
State Capitol Rm. 010
Little Rock, Arkansas 72201-1094

For Office
Use Only:

Effective Date 12/21/95 Code Number 006.05.95--006

Name of Agency Department of Finance & Administration

Department Revenue Division

Contact Person Don Zern

Statutory Authority for Promulgating Rules Arkansas Code Annotated 25-15-201 et seq (1987)

	Act 1010 of 1995	Date
<input type="checkbox"/> Intended Effective Date		
<input type="checkbox"/> Emergency	Legal Notice Published	<u>10-29-95</u>
<input checked="" type="checkbox"/> ¹⁰ 20 Days After Filing	Final Date for Public Comment	<u>12-5-95</u>
<input type="checkbox"/> Other	Filed With Legislative Council	<u>10-16-95</u>
	Reviewed by Legislative Council	<u>12-7-95</u>
	Adopted by State Agency	<u>12-11-95</u>

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with Act 434 of 1967 As Amended.

Don Zern
Signature

Information Officer
Title

December 12, 1995
Date

REGULATION 1995-3

EXEMPTION FOR VOLUNTEER FIRE DEPARTMENTS

[To be included in the Gross Receipts Regulations, as GR-31.1]

Pursuant to his authority under Ark. Code Ann. Section 25-15-201, et seq. (1987); Act 1010 of 1995 and Ark. Code Ann. §27-15-1801, et seq., the Commissioner of Revenue for the State of Arkansas does hereby promulgate the following regulation. This regulation is to be read in conjunction with the previous regulations and laws of the Department and this State.

- A. EFFECTIVE DATE. The effective date of the regulation is January 1, 1996
- B. EXEMPTION FOR VOLUNTEER FIRE DEPARTMENTS. The gross receipts or gross proceeds derived from the sales of fire protection equipment and emergency equipment to be owned and exclusively used by volunteer fire departments are exempt from all state, local and county sales and use taxes.
- C. DEFINITIONS:
 - 1. The term "fire protection equipment" shall mean any tangible personal property used directly in the performance of fire fighting services.
 - 2. The term "emergency equipment" shall mean any tangible personal property used directly in the performance of emergency services by a volunteer fire department such as hazardous or toxic waste materials response and recovery, search and rescue, and other services which prevent, minimize or repair injury and damage resulting from major emergencies or from disasters.
 - 3. The terms "fire protection equipment" and "emergency equipment" include, but are not limited to, the following:
 - (a) Axes;
 - (b) Cascade systems;
 - (c) Communication equipment, including radios, pagers, etc. and batteries for communication equipment;
 - (d) Compressed air, as used in SCBA's;
 - (e) Dry fire hydrants;
 - (f) Fire extinguishers;
 - (g) Fire retardant agents, such as foam;
 - (h) First aid equipment;
 - (i) Generators, as used to power fire protection

- and emergency equipment;
- (j) Hazardous/toxic material disposal equipment;
- (k) Hoses;
- (l) Individual firefighter's turn out gear, i.e., helmets, visors, boots, gloves, pants, hoods, etc.;
- (m) Jaws of life;
- (n) Ladders;
- (o) Lights;
- (p) Motion detectors;
- (q) Motor vehicles for use in fighting fires, or in the furtherance of other emergency activities, including but not limited to, life saving, first aid, or hazardous substance disposal, and other rescue activities, if the following conditions are satisfied:

- 1) The Volunteer Fire Department desiring to claim exemption shall obtain an application for registration from the Office of Motor Vehicle Registration, Division of Revenue, Arkansas Department of Finance and Administration. The application must be completed and submitted to that office along with a filing fee; and

- 2) The vehicle must be painted a distinguishing color and must have conspicuously displayed thereon in letters and figures not less than three inches tall the identity of volunteer fire department owning such vehicle.

- (r) Nozzles;
- (s) Oxygen;
- (t) SCBA's, Self-contained breathing apparatuses;
- (u) Sirens;
- (v) Training aids, such as VCR's, overhead projectors, etc.
- (w) Water rescue equipment;
- (x) Winches.

4. The term volunteer fire department shall mean only those fire departments:

- (a) which are rural volunteer fire departments formed as a subordinate service district of the county, or as an improvement district, or a subscription fire service department formed as a nonprofit organization for fire protection under the laws of this state; and
- (b) in which 75% or more of the fire fighters they

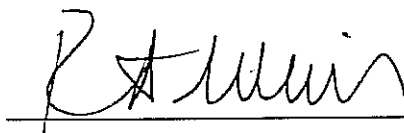
employ are volunteer fire fighters, who receive no regular compensation for their services. The receipt of appearance fees of less than \$20 per call by a volunteer is not deemed compensation but as reimbursement for expenses associated with responding to a fire. The waiver of fire protection fees owed by a volunteer firefighter does not constitute compensation.

- (c) which have had service areas established by the appropriate quorum courts pursuant to Ark. Code Ann. Section 14-284-207; and
- (d) are registered with the Administrator of the Office of Fire Services.

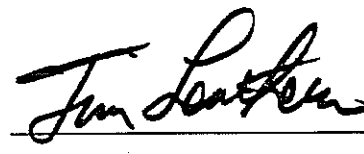
A "rural volunteer fire department" would include a fire department organized by a city which provides fire protection to areas both within and without the city limits.

D. SELLER'S DOCUMENTATION: The Department of Finance and Administration, Revenue Division, does not issue exemption certificates. Even though the seller accepts the consumer's representation that the transaction is exempt from tax, seller shall be liable for the tax if the transaction does not, in fact, qualify for an exemption. Seller's should obtain a written certification from the consumer that the purchase is by a volunteer fire department for use exclusively in fire fighting or emergency services. Seller's may verify the consumer's registration as a volunteer fire department by calling the Office of Emergency Services at (501) 329-5601. Seller's are encouraged to obtain indemnification agreements from customers and should maintain adequate records to establish entitlement to this exemption.

In witness whereof, we have hereunto set our hand on this
11th day of December, 1995.



Richard A. Weiss
Director, Department of Finance
and Administration



Timothy J. Leathers
Commissioner of Revenue