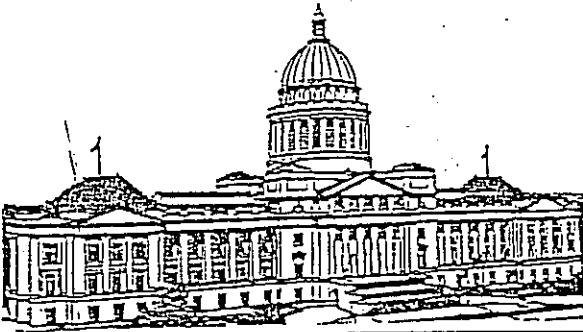


ARKANSAS REGISTER

Transmittal Sheet



Sharon Priest
Secretary of State
State Capitol Rm. 01
Little Rock, Arkansas 72201-1094

For Office Use Only: Effective Date 3/20/98 Code Number 006.05.98--004

Name of Agency Department of Finance & Administration
Department Revenue Division
Contact Person Don Zern Phone 682-7751
Statutory Authority for Promulgating Rules Ark. Code Ann. 26-18-301

	Date
Intended Effective Date	Legal Notice Published <u>4/6/98</u>
<input checked="" type="checkbox"/> Emergency	Final Date for Public Comment _____
<input type="checkbox"/> 10 Days After Filing	Filed With Legislative Council <u>3/20/98</u>
<input type="checkbox"/> Other	Reviewed by Legislative Council _____
_____	Adopted by State Agency <u>3/19/98</u>

CERTIFICATION OF AUTHORIZED OFFICER

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

Signature
682-7751

Phone Number

Information Officer

Title
March 20, 1998

Date

FILED
AR. REGISTER DIV.
MAR 20 PM 1:03
STATE OF ARKANSAS

EMERGENCY AMENDMENT TO
GROSS RECEIPTS REGULATION GR-43

This amendment to Gross Receipts Tax Regulation GR-43 is adopted as an emergency regulation under the provisions of Ark. Code Ann. §25-15-204, Ark. Code Ann. §26-18-101 et seq. and Ark. Code Ann. §26-52-101 et seq. This amendment is necessary to properly administer Ark. Code Ann. §26-52-101 et seq. Gross Receipts Regulation GR-43 is amended to read as follows:

"A. The gross receipts or gross proceeds derived from the sale of bagging, packaging and tie materials sold to, and used by, cotton gins in Arkansas for packaging and tying, or for packaging or tying baled cotton in Arkansas are exempt from the tax. The gross receipts or gross proceeds derived from the sale of twine which is used in production of tomato crops in Arkansas are exempt from the tax.

B. The gross receipts or gross proceeds derived from the sale of cotton, seed cotton, lint cotton, or baled cotton, whether the cotton is compressed or not, are exempt from this tax.

C. The gross receipts or gross proceeds derived from the sale of cotton seed in its original condition are exempt from the tax.

D. The gross receipts or gross proceeds derived from the sale of seed to be used in the commercial production of any agricultural product, or in the commercial production of any agricultural seed are exempt from the tax. Also, the gross receipts or gross proceeds derived from the sale of seedlings used in the commercial production of timber are exempt from tax. For purposes of this subsection the term "commercial production" means that the purchaser of the seed or seedling is engaged in the business of growing agricultural products, including the production of timber.

E. The term 'agricultural' means operations engaged in for the production of food, fiber, timber, sod or nurseryman products."

Executed this 19th day of MARCH, 1998.



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



Tim Leathers, Commissioner of Revenue
Arkansas Department of
Finance and Administration

EMERGENCY AMENDMENT TO
GROSS RECEIPTS REGULATION GR-45

This amendment to Gross Receipts Tax Regulation GR-45 is adopted as an emergency regulation under the provisions of Ark. Code Ann. §25-15-204, Ark. Code Ann. §26-18-101 et seq. and Ark. Code Ann. §26-52-101 et seq. This amendment is necessary to properly administer Ark. Code Ann. §26-52-101 et seq. Gross Receipts Regulation GR-45 is amended to read as follows:

"A. The gross receipts or gross proceeds derived from sales of agricultural fertilizer, agricultural limestone, and agricultural chemicals are exempt from the tax. The term "agricultural chemicals" includes, but is not limited to agricultural pesticides and agricultural herbicides; and vaccines, medications and medicinal preparations used in treating livestock and poultry. Pesticides and herbicides used in and around poultry and other animal houses and agricultural chemicals and fertilizers used in the commercial production of timber are exempt.

B. The gross receipts or gross proceeds derived from sales of feedstuffs used in growing and producing livestock or poultry for commercial production in Arkansas are exempt from the tax.

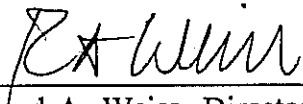
C. For purposes of this regulation, the following definitions shall apply:

1. The term 'feedstuffs' shall mean processed or unprocessed grains, mixed or unmixed grains; whole or ground hay; whole or ground straw; hulls, whether mixed with other materials or not; and food supplements, including hormones, antibiotics, vitamins, minerals and medications ingested by poultry or livestock. Food supplements need not be nutritious or for medicinal purposes.

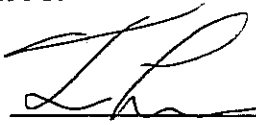
2. The term 'livestock' includes cattle, horses, mules, sheep, hogs, and any other animals kept for commercial use or profit.

3. The term 'agricultural' means operations engaged in for the production of food, fiber, timber, sod or nurseryman products."

Executed this 19th day of MARCH, 1998.



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



Tim Leathers, Commissioner of Revenue
Arkansas Department of
Finance and Administration

DEPARTMENT: Department of Finance and Administration
DIVISION Revenue Division:
PERSON COMPLETING
THIS STATEMENT: Ed Hicks, Excise Tax Administrator
TELEPHONE NO.: (501) 682-72000
FAX NO.: (501) 682-7900

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE: Regulations GR-43 and GR-45.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?
Yes: No: **XX**
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. **Does Not Apply.**

<u>1997-98 Fiscal Year</u>	<u>1997-98 Fiscal Year</u>
General Revenue: _____	General Revenue: _____
Federal Funds: _____	Federal Funds: _____
Cash Funds: _____	Cash Funds: _____
Special Revenue: _____	Special Revenue: _____
Other: _____	Other: _____
Total: _____	Total: _____
None	None

4. What is the total estimated cost by fiscal year to any party subject to the, proposed, amended, or repealed rule or regulation? **None.**

<u>1997-98 Fiscal Year</u>	<u>1998-99 Fiscal Year</u>
None	None

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

<u>1997-98 Fiscal Year</u>	<u>1998-99 Fiscal Year</u>
No additional cost	No additional cost