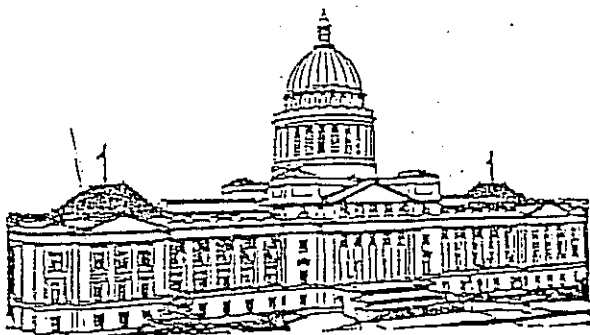


ARKANSAS REGISTER

Transmittal Sheet



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

For Office Use Only: Effective Date 7/8/98 Code Number 006.05.98-017

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
GR-43

Intended Effective Date

Legal Notice Published 4/6/98 Date

☐ Emergency

Final Date for Public Comment 6/10/98

☒ 10 Days After Filing

Filed With Legislative Council Yes

☐ Other

Reviewed by Legislative Council Yes

Adopted by State Agency 7/6/98

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

682-7751
Phone Number

Taxpayer Information Officer
Title

July 8, 1998
Date

FILED
AR. REGISTER DIV.
98 JUL -8 AM 11:17
BY
SECRETARY OF STATE
STATE OF ARKANSAS

AMENDMENT TO
GROSS RECEIPTS REGULATION GR-43

This amendment to Gross Receipts Tax Regulation GR-43 is adopted 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 6th day of July, 1998.



Tim Leathers, Acting Director
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.**

1997-98 Fiscal Year

General Revenue: _____
Federal Funds: _____
Cash Funds: _____
Special Revenue: _____
Other: _____
Total: _____

None

1997-98 Fiscal Year

General Revenue: _____
Federal Funds: _____
Cash Funds: _____
Special Revenue: _____
Other: _____
Total: _____

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.**

1997-98 Fiscal Year

None

1998-99 Fiscal Year

None

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

1997-98 Fiscal Year

No additional cost

1998-99 Fiscal Year

No additional cost