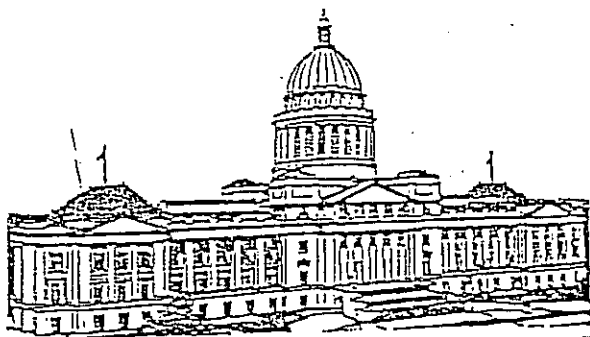


# ARKANSAS REGISTER

## Transmittal Sheet



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

For Office Use Only: Effective Date 7/18/98 Code Number 006.05.98--018

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-45

	Date
Intended Effective Date	Legal Notice Published . . . . . <u>4/6/98</u>
<input type="checkbox"/> Emergency	Final Date for Public Comment . . . . . <u>6/10/98</u>
<input checked="" type="checkbox"/> 10 Days After Filing	Filed With Legislative Council . . . . . <u>Yes</u>
<input type="checkbox"/> Other	Reviewed by Legislative Council . . . . . <u>Yes</u>
	Adopted by State Agency . . . . . <u>7/6/98</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

682-7751  
Phone Number

Taxpayer Information Officer  
Title

July 8, 1998  
Date

FILED  
ARK. REGISTER DIV.  
98 JUL -8 AM 11:15  
SECRETARY OF STATE  
STATE OF ARKANSAS

AMENDMENT TO  
GROSS RECEIPTS REGULATION GR-45

This amendment to Gross Receipts Tax Regulation GR-45 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-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 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**