

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1464

5 By: Representatives Vaught, Cavanaugh  
6  
7

## For An Act To Be Entitled

9 AN ACT TO CREATE A SALES AND USE TAX EXEMPTION FOR  
10 PARTS FOR AND REPAIR OF AGRICULTURAL EQUIPMENT AND  
11 MACHINERY; AND FOR OTHER PURPOSES.  
12  
13

## Subtitle

15 TO CREATE A SALES AND USE TAX EXEMPTION  
16 FOR PARTS FOR AND REPAIR OF AGRICULTURAL  
17 EQUIPMENT AND MACHINERY.  
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

21 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is  
22 amended to add an additional section to read as follows:

23 26-52-457. Parts for and repair of agricultural equipment and  
24 machinery – Definitions.

25 (a) As used in this section:

26 (1)(A) "Agricultural equipment and machinery" means implements  
27 used exclusively and directly in farming.

28 (B) "Agricultural equipment and machinery" includes  
29 without limitation:

30 (i) Irrigation pipe used to carry water from an  
31 irrigation well to the crops produced in farming regardless of whether the  
32 irrigation pipe is used above ground or is buried underground;

33 (ii) Aviation machinery and equipment; and

34 (iii) Implements used to harvest crops produced in  
35 farming by others.

36 (C) "Agricultural equipment and machinery" does not



1 include implements used in the production and severance of timber, motor  
2 vehicles of a type subject to registration, or hand tools; and

3 (2) "Farming" means the agricultural production of food or fiber  
4 as a business or the agricultural production of grass sod or nursery products  
5 as a business.

6 (b) The gross receipts or gross proceeds derived from the sale of the  
7 following are exempt from the gross receipts tax levied by this chapter and  
8 the compensating use tax levied by the Arkansas Compensating Tax Act of 1949,  
9 § 26-53-101 et seq.:

10 (1) Parts purchased to modify, replace, or repair, in whole or  
11 in part, existing agricultural equipment and machinery; and

12 (2) Services relating to the initial installation, alteration,  
13 addition, cleaning, refinishing, replacement, or repair of agricultural  
14 equipment and machinery.

15  
16 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the  
17 first day of the calendar quarter following the effective date of this act.  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36