



P.O. Box 419264 • Kansas City, MO 64141-6264 • 816-561-5323 • [www.naeda.com](http://www.naeda.com)

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## **HB 1472**

The North American Equipment Dealers Association is an international trade association representing approximately 4,500 farm, industrial and outdoor power equipment dealers in North America.

NAEDA represents 86 farm equipment dealers in the state of Arkansas that account for over 2,000 direct jobs in the state. Through the sale of equipment, parts, and service, our dealer members work in partnership with farmers and ranchers across Arkansas to make them the most productive and competitive food producers in the world.

HB 1472 is a needed update to the Arkansas sales tax exemption for farm equipment parts. Nearly every state in the country exempts agricultural equipment and parts from applicable sales tax. All six states bordering Arkansas currently have a sales tax exemption in place for purchase of parts used to repair farm equipment.

By not currently providing an exemption, state law incentivizes Arkansas farmers and ranchers to buy from businesses located outside of Arkansas. This puts Arkansas dealers at a disadvantage compared to their counterparts in neighboring states. That scenario also disincentivizes dealers from stocking more parts to have on-hand for customers.

By updating the sales tax exemption to include parts, Arkansas will be driving more purchases to businesses located in the state. This will generate more revenue for Arkansas dealers to reinvest in their operations to better serve customers, including additional parts and service jobs within the dealership to handle increased sales volume.

On behalf of Arkansas equipment dealers, we urge you to SUPPORT HB 1472.

Eric Wareham  
Vice President of Government Affairs  
North American Equipment Dealers Association