

## 93rd Arkansas General Assembly: Water Used by Poultry Farms/Sales- Use Tax Exemption



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01/22/2021

The 93rd Arkansas General Assembly convened for regular session on January 11th.

The pre-filing of bills and resolutions began on November 16th.

House Bill 1196 (HB 1196) has been introduced which would provide a sales and use tax exemption for water used by a poultry farm. The legislation is sponsored by Representatives Christiansen and Beck.

HB 1196 would amend Arkansas Code Title 26, Chapter 52, Subchapter 4 to add an additional section titled "Water used in poultry farming."

The legislation would define a "poultry farm" to mean:

. . . a facility used for the commercial production of poultry, including without limitation a broiler or turkey grow-out house, laying house, hatching unit, nursery unit, and breeding house.

Further, the legislation provides that the:

. . . the gross receipts or gross proceeds derived from the sale of water that is used exclusively in the operation of a poultry farm are exempt from the gross receipts tax levied by this chapter and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949. . .

The legislation requires that water subject to the exemption be separately metered from water used for any other purpose by the taxpayer. Further, the Secretary of the Arkansas Department of Finance and Administration, as a prerequisite to utilizing the exemption, may require a water utility to obtain a certificate from the taxpayer certifying eligibility for the exemption.

A copy of the HB 1196 can be downloaded [here](#).