



States' Biofuels Statutes

STATE OF ARKANSAS

This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#). These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.

Current through the 2013 Legislative Session of the Arkansas General Assembly.

§ 26-58-111. Severance tax rates

The severance tax is to be predicated upon the quantity severed and at the following rates:

- (1) On barite, bauxite, titanium ore, manganese and manganiferous ores, zinc ore, and cinnabar, fifteen cents (15¢) per ton of two thousand pounds (2,000 lbs.);
- (2) On coal, lignite, and iron ore, two cents (2¢) per ton of two thousand pounds (2,000 lbs.);
- (3) On gypsum not used for manufacturing within Arkansas into ultimate consumer's goods, or sold for manufacturing within Arkansas into ultimate consumer's goods, and chemical grade limestone, silica sand, and dimension stone, one and one-half cents (1 ½ ¢) per ton of two thousand pounds (2,000 lbs.);
- (4) On crushed stone including, but not limited to, chert, granite, slate, novaculite, and limestone, and on construction sand, gravel, clay, chalk, shale, and marl, one cent (1¢) per ton of two thousand pounds (2,000 lbs.);
- (5) On natural gas, the following percent of the market value of the natural gas severed within the State of Arkansas:
 - (A) On new discovery gas, as defined in § 26-58-101(12), the severance tax rate shall be one and one-half percent (1.5%) for the time period provided in § 26-58-127(a);
 - (B) On high-cost gas, as defined in § 26-58-101(6), the severance tax rate shall be one and one-half percent (1.5%) for the time periods provided in § 26-58-127(b);
 - (C) On marginal gas, as defined in § 26-58-101(8), the severance tax rate shall be one and one-quarter percent (1.25%); and

(D) On all natural gas that is not defined as new discovery gas, high-cost gas, or marginal gas, the severance tax rate shall be five percent (5%);

(6)(A) On oil, five percent (5%) of the market value at time and point of severance.

(B) However, whenever the production of oil from a well which is measured separately or from a group of wells which is measured separately, including any well or wells that are utilized for the injection of salt water or other effluents for pressure maintenance or secondary recovery purposes, averages ten (10) barrels or less per well per day during any calendar month, the privilege or license tax on oil produced from that well or group of wells during that month shall be computed at the rate of four percent (4%) of the market value at time and point of severance.

(C) The Director of the Department of Finance and Administration shall have the power to promulgate such reasonable rules and regulations as shall be necessary to effectively enforce the foregoing provisions;

(7) On timber, the tax shall be collected, reported, and remitted by each primary processor and shall be computed on the weight of such timber as determined at the last time the timber is weighed prior to undergoing the first processing after severance thereof and shall be at the following rates:

(A) On all pine timber, seventeen and eight-tenths cents (17.8¢) per ton of two thousand pounds (2,000 lbs.);

(B) On all other timber, twelve and five-tenths cents (12.5¢) per ton of two thousand pounds (2,000 lbs.); and

(C)(i) If any primary processor of timber is unable to weigh the timber as required herein because an approved weight scale is not available, the primary processor shall use the following conversion factors to convert other measurements of timber to weight:

<u>PRODUCT</u>	<u>CONVERSION FACTORS</u>
SAWTIMBER:	
Pine	16,000 Lbs./MBF Doyle
All Other	16,000 Lbs./MBF Doyle
PULPWOOD:	
Pine	5,000 Lbs./Cord-128 Cu. Ft.
All Other	6,000 Lbs./Cord-128 Cu. Ft.
POSTS OR POLES:	
Less than 10' in length	30 Posts/Ton
POSTS OR POLES:	
10'--16' in length	15 Posts/Ton
POLES OR PILING:	
Greater than 16' in length	40 Lineal Ft./Ton
SPLIT CORDS	6,000 Lbs./Cord-128 Cu. Ft.
VENEER CORDS	5,000 Lbs./Cord-128 Cu. Ft.
HANDLE AND OTHER CORDS	6,000 Lbs./Cord-128 Cu. Ft.

CHEMICAL CORDS	6,000 Lbs./Cord-128 Cu. Ft.
WHOLE TREE CHIPS:	
Pine	5,000 Lbs./Cord-128 Cu. Ft.
All Other	6,000 Lbs./Cord-128 Cu. Ft.

(ii) If the above conversion factors are not appropriate for conversion of any particular measurement of timber to weight, the director, with the advice and approval of the Arkansas Forestry Commission, shall develop an appropriate conversion procedure to produce equivalent rates;

(8) On diamonds, fuller’s earth, ochre, natural asphalt, native sulphur, salt, pearls and other precious stones, whetstone, novaculite, and on all other natural resources, except gypsum, not otherwise specifically identified under the severance tax laws of this state, except mussel shells, five percent (5%) of the fair market value at the time of severance;

(9) On salt water whose naturally dissolved components, or solutes, are used as source raw materials for bromine and other products derived from the same salt water used in the bromine production, two dollars and forty-five cents (\$2.45) per one thousand (1,000) barrels, forty-two thousand United States gallons (42,000 U.S. gals.); and

(10)(A) Except as provided in subdivision (10)(B) of this section, on all other natural resources not otherwise specifically identified under the severance tax laws of this state, five percent (5%) of the market value at time and point of severance.

(B)(i) Biomass used primarily for the purpose of biofuel production is not subject to a severance tax.

(ii) As used in subdivision (10)(B)(i) of this section, “biomass” means any woody biomass that is grown for use in biofuels and is not grown for the production of other timber products.

Credits

Acts of 1947, Act 136, § 2; Acts of 1949, Act 469, § 1; Acts of 1953, Act 42, § 9; Acts of 1953, Act 322, § 1; Acts of 1957, Act 21, § 1; Acts of 1957, Act 150, § 1; Acts of 1957, Act 263, § 1; Acts of 1959, Act 93, § 1; Acts of 1959, Act 129, §§ 1, 2; Acts of 1967, Act 379, § 1; Acts of 1971, Act 147, § 1; Acts of 1977, Act 388, §§ 3, 4; Acts of 1981, Act 617, § 1; Acts of 1983, Act 254, § 2; Acts of 1983, Act 874, § 1; Acts of 1993, Act 25, § 1; Acts of 1993, Act 1156, § 3; Acts of 1995, Act 356, § 1; Acts of 2008 (1st Ex. Sess.), Act 4, § 7, eff. Jan. 1, 2009; Acts of 2008 (1st Ex. Sess.), Act 5, § 7, eff. Jan. 1, 2009; Acts of 2009, Act 737, § 1, eff. Jan. 1, 2009; Acts of 2009, Act 655, §§ 99, 100, eff. July 31, 2009.