

As Engrossed: 3/16/93 3/24/93 4/6/93

1 **State of Arkansas**
2 **79th General Assembly**
3 **Regular Session, 1993**
4 **By: Representative Arnold**

A Bill

ACT 1059 OF 1993
HOUSE BILL 2117

For An Act To Be Entitled

8 "AN TO AMEND ARKANSAS 26-53-311 TO PROVIDE THAT THE RENTAL
9 VEHICLE TAX SHALL BE COLLECTED IN LIEU OF *CERTAIN GROSS*
10 *RECEIPTS TAXES*; AND FOR OTHER PURPOSES."

Subtitle

13 "AN ACT TO PROVIDE THAT THE RENTAL VEHICLE TAX SHALL BE
14 COLLECTED IN LIEU OF *CERTAIN GROSS RECEIPTS TAXES*."

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18 SECTION 1. Arkansas Code 26-52-311 is amended to read as follows:

19 "26-52-311. Rental vehicle tax.

20 (a) (1) *In addition to the tax on short term rentals of tangible*
21 *personal property, § 26-52-310, there is levied a tax to be known as the*
22 *'Rental Vehicle Tax'. The tax shall be levied in lieu of the taxes designated*
23 *in subdivision (2) of this subsection (a). The rental vehicle tax shall be*
24 *levied on the gross receipts or gross proceeds derived from rentals of*
25 *licensed motor vehicles leased for a period of less than thirty (30) days. The*
26 *gross receipts or gross proceeds derived from the rentals shall be taxable*
27 *whether or not the Arkansas gross receipts tax, § 26-52-101 et seq., or*
28 *compensating tax, § 26-53-101 et seq., was paid at the time of registration.*

29 (2) *The gross receipts or gross proceeds derived from the sale of*
30 *a motor vehicle to a person engaged in the business of renting licensed motor*
31 *vehicles shall be exempt from taxation under the Arkansas gross receipts tax,*
32 *§ 26-52-101 et seq., or compensating tax, § 26-53-101 et seq., and any*
33 *municipal or county sales tax, if the motor vehicle is used exclusively for*
34 *the purpose of rentals for a period of less than thirty (30) days.*

35 (b) *The rental vehicle tax shall be levied at the same rate as the*
36 *combined Arkansas gross receipts tax levied by § 26-52-301 and § 26-52-302 and*

1 any act supplemental thereto and the rate of any applicable municipal or
2 county tax.

3 (c) Except as provided otherwise in this section, the tax shall be
4 collected, reported, and paid in the same manner and at the same time as is
5 prescribed by law for the collection, reporting, and payment of the tax
6 imposed by the Arkansas gross receipts tax, § 26-52-101 et seq.

7 (d) The rental vehicle tax shall be remitted to the Director of the
8 Department of Finance and Administration and, except for the amount equal to
9 the municipal and county tax, shall be deposited in the State Treasury as
10 general revenues. The amount of the tax which is based on municipal and
11 county sales taxes shall be remitted to the city or county in the same manner
12 as for municipal and county sales taxes.

13 (e) It shall be unlawful for any person engaged in the business of
14 renting licensed motor vehicles for a period of less than thirty (30) days to
15 include a surcharge on the rental of the motor vehicles for any Arkansas gross
16 receipts or compensating use taxes paid by the person. Any person who violates
17 this section shall be subject to a fine not to exceed one thousand dollars
18 (\$1,000).

19 (f) Nothing in § 26-52-310 or this section shall apply to the lease or
20 rental of diesel trucks rented or leased for commercial shipping or farm
21 machinery or farm equipment rented or leased for a commercial purpose."
22

23 SECTION 2. All provisions of this act of a general and permanent
24 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
25 Code Revision Commission shall incorporate the same in the Code.
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27 SECTION 3. If any provision of this act or the application thereof to
28 any person or circumstance is held invalid, such invalidity shall not affect
29 other provisions or applications of the act which can be given effect without
30 the invalid provision or application, and to this end the provisions of this
31 act are declared to be severable.
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33 SECTION 4. All laws and parts of laws in conflict with this act are
34 hereby repealed.
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1 SECTION 5. (a) This act shall become effective on September 1, 1994.

2 (b) Any sales tax credits which have accrued to rental vehicle
3 companies prior to September 1, 1994 are hereby declared null and void as of
4 September 1, 1994.

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11 /s/Bob "Sody" Arnold

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13 APPROVED: 04/12/93

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