

Hall of the House of Representatives
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of House Bill No. 1030

"TO EXEMPT FROM THE STATE SALES AND USE TAX THE GROSS RECEIPTS IN EXCESS OF ONE THOUSAND DOLLARS (\$1000) DERIVED FROM THE SALE OF A TRUCK TRACTOR AND IN EXCESS OF FIVE HUNDRED DOLLARS (\$500) DERIVED FROM THE SALE OF A SEMITRAILER."

Amendment No. 1 to House Bill No. 1030.

Amend House Bill No. 1030 as originally introduced:

Add Representatives Martin, Bledsoe, Bookout, Bright, Judy, Key, Matayo, Parks, Petrus, Roebuck, Rosenbaum, Sullivan, J. Taylor, Thomas, Walters, Wood, Kenney and Lamoureux as cosponsors to the bill

AND

Add Senators Holt, Whitaker, Womack, Hendren, G. Jeffress, J. Jeffress, Bookout, Bisbee, Trusty, Baker and Wilkinson as cosponsors of the bill

AND

Delete everything after the enacting clause and substitute the following:

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

"26-52-433. Certain classes of trucks or trailers.

(a) For the purpose of this section:

(1) "Legal entity" means a legal entity recognized by the laws of this state that owned, leased, or rented a physical structure within this state at the time of purchasing a truck tractor or semitrailer in this state;

(2) "Person" means a natural person who resided in this state at the time of purchasing a truck tractor or semitrailer in this state;

(3) "Reside" means to be physically present and to maintain a permanent place of business in the State of Arkansas;

(4) "Semitrailer" means every vehicle with or without motive power, including a pole trailer, drawn by a truck tractor and designed for carrying property; and

(5) "Truck tractor" means a motor vehicle:

(A) Designed and used primarily for drawing other vehicles



and not so constructed as to carry a load other than a part of the weight of the vehicle and load so drawn; and

(B) Registered as a Class Four, Class Five, Class Six, or Class Seven truck, as defined by § 27-14-601(a)(3).

(b) Except as provided in subsection (d), the gross receipts or gross proceeds in excess of one thousand dollars (\$1,000) derived from the sale of a new or used truck tractor in this state are exempt from the Arkansas gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, as amended, §§ 26-52-101 through 26-52-1006.

(c) Except as provided in subsection (d) the gross receipts or gross proceeds in excess of five hundred dollars (\$500) derived from the sale of a new or used semitrailer in this state are exempt from the Arkansas gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, as amended, §§ 26-52-101 through 26-52-1006.

(d) The exemption in this section does not apply to gross receipts taxes levied by any Arkansas city, town, or county.

(e)(1) It is the intent of the Uniform Motor Vehicle Administration, Certificate of Title, and Antitheft Act, § 27-14-101 et seq., that any reciprocal agreements consummated with the authorized officials or representatives of any one or more states of the United States, whereby residents of a state other than Arkansas who operate commercial motor vehicles may allocate and apportion the registration of the commercial motor vehicles in accordance with any formula mutually agreed upon between the commission and the representatives or officials of the state if residents of this state are granted the same allocation and apportionment privileges for the registration of commercial motor vehicles in the other state, shall be given effect notwithstanding the fact that the other state may have allowed registration in that state using a third party agent.

(2) Accordingly, the State of Arkansas shall not assess or collect from any person or legal entity any gross receipts tax, interest, or penalties on the purchase of a new or used truck tractor or semitrailer in this state if the truck tractor or semitrailer was registered or licensed in another state under a reciprocal agreement contemplated by the Uniform Motor Vehicle Administration, Certificate of Title, and Antitheft Act, § 27-14-101 et seq., notwithstanding the fact that the other state may have allowed registration in that state using a third party agent.

SECTION 2. Arkansas Code Title 26, Chapter 53, Subchapter 1 is amended to add an additional section to read as follows:

26-53-141. Certain classes of trucks or trailers.

(a) For the purpose of this section:

(1) "Legal entity" means a legal entity recognized by the laws of this state that owned, leased, or rented a physical structure within this state at the time of purchasing a truck tractor or semitrailer in another state;

(2) "Person" means a natural person who resided in this state at the time of purchasing a truck tractor or semitrailer in another state;

(3) "Reside" means to be physically present and to maintain a permanent place of business in the State of Arkansas;

(4) "Semitrailer" means every vehicle with or without motive power, including a pole trailer, drawn by a truck tractor and designed for carrying property; and

(5) "Truck tractor" means a motor vehicle:

(A) Designed and used primarily for drawing other vehicles and not so constructed as to carry a load other than a part of the weight of the vehicle and load so drawn; and

(B) Registered as a Class Four, Class Five, Class Six, or Class Seven truck, as defined by § 27-14-601(a)(3).

(b) Except as provided in subsection (d), the gross receipts or gross proceeds in excess of one thousand dollars (\$1,000) derived from the sale of a new or used truck tractor in another state for use in this state are exempt from the Arkansas compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §§ 26-53-101 et seq.

(c) Except as provided in subsection (d), the gross receipts or gross proceeds in excess of five hundred dollars (\$500) derived from the sale of a new or used semitrailer in another state for use in this state are exempt from the Arkansas compensating use tax levied by the Arkansas Compensating Tax Act of 1949, §§ 26-53-101 et seq.

(d) The exemption in this section does not apply to compensating use taxes levied by any Arkansas city, town, or county.

(e)(1) It is the intent of the Uniform Motor Vehicle Administration, Certificate of Title, and Antitheft Act, § 27-14-101 et seq., that any reciprocal agreements consummated with the authorized officials or representatives of any one or more states of the United States, whereby residents of a state other than Arkansas who operate commercial motor vehicles may allocate and apportion the registration of the commercial motor vehicles in accordance with any formula mutually agreed upon between the commission and the representatives or officials of the state if residents of this state are granted the same allocation and apportionment privileges for the registration of commercial motor vehicles in the other state, shall be given effect notwithstanding the fact that the other state may have allowed registration in that state using a third party agent.

(2) Accordingly, the State of Arkansas shall not assess or collect from any person or legal entity any compensating use tax, interest, or penalties on the purchase of a new or used truck tractor or semitrailer in another state and used in this state if the truck tractor or semitrailer was registered or licensed in another state under a reciprocal agreement contemplated by the Uniform Motor Vehicle Administration, Certificate of Title, and Antitheft Act, § 27-14-101 et seq., notwithstanding the fact that the other state may have allowed registration in that state using a third party agent.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that a recent Oklahoma court decision drastically affected the Arkansas trucking industry by preventing Arkansas trucking companies, partnerships, and independent operators from using third party registration agents in Oklahoma to register their equipment; that the Arkansas Department of Finance and Administration has indicated its intent to collect gross receipts and compensating use tax on trucking equipment purchased for at least the past three (3) years by Arkansas trucking businesses that used third party registration agents in Oklahoma to register their equipment; the collection of gross receipts or compensating use tax on trucking equipment purchased for the past three (3) years or longer will have a devastating effect on the trucking industry in

Arkansas, including forcing trucking businesses out of business, into bankruptcy, or to relocate outside of Arkansas; that the future collection of gross receipts and compensating use tax on the total sale price of trucking equipment registered in Arkansas will have a similar chilling effect on the trucking industry in the State of Arkansas; that this act is immediately necessary to prevent the severe and sudden economic hardships on the trucking industry in Arkansas. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto."

The Amendment was read _____
By: Representative House
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Chief Clerk