

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**

A Bill

HOUSE BILL 1491

4 **By: Representative Jim Roberts**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 27-14-601 (a) (3) (G) TO
9 ESTABLISH A REGISTRATION FEE OF ONE THOUSAND THREE HUNDRED
10 AND FIFTY DOLLARS (\$1,350) ON CERTAIN VEHICLES WITH
11 DECLARED GROSS WEIGHTS BETWEEN SEVENTY-THREE THOUSAND, TWO
12 HUNDRED EIGHTY-ONE (73,281) POUNDS AND EIGHTY (80,000)
13 POUNDS; TO AMEND ARKANSAS CODE § 26-52-510, AS AMENDED BY
14 SECTION 6 OF ACT 3 OF 1991, TO CAP THE AMOUNT OF SALES
15 TAXES PAID ON LARGE TRUCKS AT TWO HUNDRED AND FIFTY
16 DOLLARS (\$250) AND ON SEMITRAILERS AT ONE HUNDRED DOLLARS
17 (\$100); TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES."

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

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21 SECTION 1. Subdivision (a) (3) (G) of Arkansas Code § 27-14-601 is hereby
22 amended to read as follows:

23 "(G) Class Seven - (i) On all such vehicles with a gross loaded weight
24 between sixty-eight thousand one pounds (68,001 lbs.) and seventy-three
25 thousand, two hundred eighty pounds (73,280 lbs.), the fee to be charged shall
26 be at the rate of fourteen dollars and thirty cents (\$14.30) per thousand
27 pounds of gross loaded weight of the vehicles;

28 (ii) On all such vehicles with a gross loaded weight between
29 seventy-three thousand, two hundred eighty one pounds (73,281 lbs.) and *eighty*
30 *thousand pounds (80,000 lbs.)*, the fee to be charged shall be one thousand
31 *three hundred and fifty dollars (\$1,350)*.

32 (iii) Any truck in Class Two, Class Three, Class Four, Class
33 Five, Class Six, or Class Seven for which the annual registration and
34 licensing fee is one hundred thirty dollars (\$130) or more may be registered
35 and licensed for the first six (6) months of the licensing period, upon

1 application therefor and the payment of one-half (1/2) of the annual license
2 fee prescribed in this section for such truck, plus an additional fee of six
3 dollars and fifty cents (\$6.50) to defray the administrative cost of issuing a
4 half-year license.

5 (iv) Any truck in Class Seven may be registered and licensed for
6 the first three (3) months of the licensing period, upon application therefor
7 and the payment of one-fourth (1/4) of the annual license fee prescribed
8 herein for such truck, plus an additional fee of six dollars and fifty cents
9 (\$6.50) to defray the administrative cost of issuing a quarter-year license.

10 (v) The Director of the Department of Finance and Administration
11 shall cause distinctive license plates to be prepared to evidence the six (6)
12 month and three (3) month registration of vehicles under this subsection and
13 shall make such rules and regulations as he shall deem necessary to properly
14 carry out and enforce the provisions of this subdivision."

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16 SECTION 2. Arkansas Code § 26-52-510, as amended by Section 6 of Act 3
17 of 1991, is hereby amended to read as follows:

18 "26-52-510. Direct payment of tax by consumer-user - New and used cars.

19 (a) (1) The tax levied by this Chapter and all other gross receipts
20 taxes levied by the State in respect to the sale of new or used motor
21 vehicles, trailers or semitrailers required to be licensed in this state shall
22 be paid by the consumer to the director of the Department of Finance and
23 Administration instead of being collected by the dealer, and it is the
24 mandatory duty of the director to require the payment of such tax before
25 issuing licenses for new or used motor vehicles or trailers. (2)

26 However, when a consumer purchases a new automobile which is so defective that
27 the dealer or manufacturer agrees either to grant the consumer a full cash
28 refund or to replace the original automobile with another new automobile, then
29 the amount of gross receipts tax paid on the defective vehicle shall be
30 applied as a credit upon the gross receipts tax due from the purchase or
31 receipt of the new automobile which is a replacement vehicle for the original
32 vehicle.

33 (3) The tax levied by this Chapter and all other gross receipts
34 taxes levied by the State in respect to the sale of new or used motor
35 vehicles, trailers or semitrailers shall be levied and collected only to a

1 maximum tax of two hundred and fifty dollars (\$250) on each purchase of a new
2 or used truck registered or to be registered as Class Seven or Class Eight
3 trucks under Arkansas Code § 27-14-601 and to a maximum tax of one hundred
4 dollars (\$100) on all new or used semitrailers registered or to be registered
5 for use in combination with Classes Two through Eight trucks under Arkansas
6 Code § 27-14-601.

7 (b) When a used motor vehicle, trailer or semitrailer is taken in trade
8 as a credit or part payment on the sale of a new or used motor vehicle,
9 trailer or semi-trailer, the tax levied by this Chapter and all other gross
10 receipts taxes levied by the State shall be paid on the net difference between
11 the total consideration for the new or used vehicle, trailer or semi-trailer
12 sold and the credit for the used vehicle, trailer or semi-trailer taken in
13 trade. However, if the new or used motor vehicle is a truck registered as a
14 Class Seven or Eight truck under Arkansas Code § 27-14-601, the maximum tax
15 shall be two hundred and fifty dollars (\$250), if the vehicle is a new or used
16 semitrailer registered for use in combination with Classes Two through Eight
17 trucks under Arkansas Code § 27-14-601, the maximum tax shall be one hundred
18 dollars (\$100), and if the total consideration for the sale of the new or used
19 motor vehicle, trailer or semitrailer is less than two thousand dollars
20 (\$2,000), no tax shall be due.

21 (c) Used car dealers shall be deemed the consumer-users of all parts
22 and accessories used by them for the reconditioning or rebuilding of used
23 automobiles and shall be required to report as a sale all parts and
24 accessories withdrawn or used from the stock in trade. In instances where
25 dealers are not engaged in the sale of parts and accessories in connection
26 with the sale of used cars, the tax shall be paid to the seller at the time
27 purchases of parts and accessories are made.

28 (d) Nothing in this section shall be construed to repeal any exemption
29 from the Arkansas Gross Receipts Act, 26-52-101 et seq. (e) No
30 credit shall be allowed for sales or use taxes paid to another state with
31 respect to the purchase of motor vehicles, trailers, or semitrailers which
32 were first registered by the purchaser in
33 Arkansas. This subsection shall apply to all motor vehicles, trailers, or
34 semitrailers purchased on or after November 3, 1989."

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1 SECTION 3. All provisions of this act of general and permanent nature
2 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
3 Revision Commission shall incorporate the same in the Code.

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5 SECTION 4. If any provisions of this act or the application thereof to
6 any person or circumstance is held invalid, the invalidity shall not affect
7 other provisions or applications of the act which can be given effect without
8 the invalid provisions or application, and to this end the provisions of this
9 act are declared to be severable.

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11 SECTION 5. All laws and parts of laws in conflict with this act are
12 hereby repealed.

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14 SECTION 6. Emergency. It is hereby found and determined by the
15 Seventy-Eighth General Assembly of the State of Arkansas that the number of
16 trucks base-plating in Arkansas has declined drastically in recent years, that
17 the primary reason for this decline is the sales tax exemptions and other tax
18 breaks provided for trucks registered in those other states, and that this
19 loss of trucks base-plating in Arkansas has had a significant negative impact
20 on state and local tax revenues. Therefore, in order to prevent a further
21 deterioration of the situation and to convince trucking enterprises to return
22 their registrations to Arkansas, an emergency is hereby declared to exist, and
23 this act being necessary for the immediate preservation of the public peace,
24 health, and safety, shall be in full force and effect from and after its
25 passage and approval.

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27 */s/Jim Roberts*
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