

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

A Bill

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE § 26-52-510 TO PROVIDE A
9 SALES TAXES CREDIT FOR CONSUMERS WHO SELL THEIR USED CARS
10 IN LIEU OF TRADING IT IN ON A NEW CAR PURCHASE; AND FOR
11 OTHER PURPOSES."

Subtitle

14 "AN ACT TO PROVIDE A SALES TAXES CREDIT FOR CONSUMERS WHO
15 SELL THEIR USED CARS IN LIEU OF A TRADE-IN ON A NEW CAR
16 PURCHASE."

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

20 SECTION 1. Arkansas Code § 26-52-510 is hereby amended to read as
21 follows:

22 "26-52-510. Direct payment of tax by consumer-user - New and used cars.

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

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

1 the original vehicle.

2 (b)(1) When a used motor vehicle, trailer, or semitrailer is taken in
3 trade as a credit or part payment on the sale of a new or used motor vehicle,
4 trailer, or semitrailer, the tax levied by this chapter and all other gross
5 receipts taxes levied by the state shall be paid on the net difference between
6 the total consideration for the new or used vehicle, trailer, or semitrailer
7 sold and the credit for the used vehicle, trailer, or semitrailer taken in
8 trade.

9 (2) When a used motor vehicle, trailer, or semitrailer is sold by
10 a consumer, rather than traded-in as a credit or part payment on the sale of a
11 new or used motor vehicle, trailer, or semitrailer, and the consumer
12 subsequently purchases a new or used vehicle of greater value within thirty
13 (30) days of the sale, the tax levied by this chapter and all other gross
14 receipts taxes levied by the state shall be paid on the net difference between
15 the total consideration for the new or used vehicle, trailer, or semitrailer
16 purchased subsequently and the amount received from the sale of the used
17 vehicle, trailer, or semitrailer sold in lieu of a trade-in.

18 (3) However, if the total consideration for the sale of the new
19 or used motor vehicle, trailer, or semitrailer is less than two thousand
20 dollars (\$2,000), no tax shall be due.

21 (c)(1) 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.

25 (2) In instances where dealers are not engaged in the sale of
26 parts and accessories in connection with the sale of used cars, the tax shall
27 be paid to the seller at the time 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.

30 (e) No credit shall be allowed for sales or use taxes paid to another
31 state with respect to the purchase of motor vehicles, trailers, or
32 semitrailers which were first registered by the purchaser in Arkansas. This
33 subsection shall apply to all motor vehicles, trailers, or semitrailers
34 purchased on or after November 3, 1989."

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1 SECTION 2. 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 3. 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 4. All laws and parts of laws in conflict with this act are
12 hereby repealed.

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