

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

# A Bill

**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*

1 combined Arkansas gross receipts tax levied by § 26-52-301 and § 26-52-302 and  
2 any act supplemental thereto and the rate of any applicable municipal or  
3 county tax.

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

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

14 (e) It shall be unlawful for any person engaged in the business of  
15 renting licensed motor vehicles for a period of less than thirty (30) days to  
16 include a surcharge on the rental of the motor vehicles for any Arkansas gross  
17 receipts or compensating use taxes paid by the person. Any person who violates  
18 this section shall be subject to a fine not to exceed one thousand dollars  
19 (\$1,000).

20 (f) Nothing in § 26-52-310 or this section shall apply to the lease or  
21 rental of diesel trucks rented or leased for commercial shipping or farm  
22 machinery or farm equipment rented or leased for a commercial purpose."  
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24 SECTION 2. All provisions of this act of a general and permanent  
25 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
26 Code Revision Commission shall incorporate the same in the Code.

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28 SECTION 3. If any provision of this act or the application thereof to  
29 any person or circumstance is held invalid, such invalidity shall not affect  
30 other provisions or applications of the act which can be given effect without  
31 the invalid provision or application, and to this end the provisions of this  
32 act are declared to be severable.

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34 SECTION 4. All laws and parts of laws in conflict with this act are  
35 hereby repealed.

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SECTION 5. (a) This act shall become effective on September 1, 1994.

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

/s/Bob "Sody" Arnold

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

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