

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

# A Bill

**SENATE BILL**

## For An Act To Be Entitled

8 "AN ACT TO PROVIDE THAT NO TAX SHALL BE DUE ON THE FIRST  
9 TWO THOUSAND DOLLARS OF CONSIDERATION PAID FOR THE SALE OF  
10 A USED MOTOR VEHICLE, TRAILER, OR SEMITRAILER; AND FOR  
11 OTHER PURPOSES."

## Subtitle

14 "AN ACT TO PROVIDE THAT NO TAX SHALL BE DUE ON THE FIRST  
15 TWO THOUSAND DOLLARS OF CONSIDERATION PAID FOR A USED  
16 MOTOR VEHICLE."

17  
18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

22 "(b) When a used motor vehicle, trailer, or semitrailer is taken in  
23 trade as a credit or part payment on the sale of a new or used motor vehicle,  
24 trailer, or semitrailer, the tax levied by this chapter and all other gross  
25 receipts taxes levied by the state shall be paid on the net difference between  
26 the total consideration for the new or used vehicle, trailer, or semitrailer  
27 sold and the credit for the used vehicle, trailer, or semitrailer taken in  
28 trade. However, if the total consideration for the sale of the new motor  
29 vehicle, trailer, or semitrailer is less than two thousand dollars (\$2,000),  
30 no tax shall be due and no tax shall be due on the first two thousand dollars  
31 (\$2,000) of consideration in whatever form for the sale of a used motor  
32 vehicle, trailer, or semitrailer."

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34 SECTION 2. Arkansas Code §26-53-126(b) is hereby amended to read as  
35 follows:

1           "(b) When a used motor vehicle, trailer, or semitrailer is taken in  
2 trade as a credit or part payment on the sale of a new or used vehicle,  
3 trailer, or semitrailer, the tax levied herein and all other use taxes levied  
4 by the state shall be paid on the net difference between the total  
5 consideration for the new or used vehicle, trailer, or semitrailer sold and  
6 the credit for the used vehicle, trailer, or semitrailer taken in trade.  
7 However, if the total consideration for the sale of the new motor vehicle,  
8 trailer, or semitrailer is less than two thousand dollars (\$2,000), no tax  
9 shall be due and no tax shall be due on the first two thousand dollars  
10 (\$2,000) of consideration in whatever form for the sale of a used motor  
11 vehicle, trailer, or semitrailer."

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13           SECTION 3. This act shall become effective on the first day of the  
14 month following its passage and approval.

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16           SECTION 4. All provisions of this act of a general and permanent nature  
17 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
18 Revision Commission shall incorporate the same in the Code.

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20           SECTION 5. If any provision of this act or the application thereof to  
21 any person or circumstance is held invalid, such invalidity shall not affect  
22 other provisions or applications of the act which can be given effect without  
23 the invalid provision or application, and to this end the provisions of this  
24 act are declared to be severable.

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26           SECTION 6. All laws and parts of laws in conflict with this act are  
27 hereby repealed.

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29           SECTION 7. EMERGENCY. It is hereby found and determined by the General  
30 Assembly that the taxation on consideration paid for used motor vehicles,  
31 trailers, and semitrailers which cost more than two thousand dollars (\$2,000)  
32 creates a hardship on people who purchase used vehicles; that to exclude the  
33 first two thousand dollars (\$2,000) of consideration paid on those vehicles  
34 would reduce that hardship; and that in order to relieve that burden as soon  
35 as possible this act should become effective on the first day of the month

1 immediately following its passage and approval. Therefore, an emergency is  
2 hereby declared to exist and this act being necessary for the preservation of  
3 the public peace, health, and safety shall be in full force and effect from  
4 and after the first day of the month following its passage and approval.

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