

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1632

5 By: Representative Bryant
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE TAX TREATMENT OF THE SALES OF
9 MOTOR VEHICLES; TO REPEAL THE SALES AND USE TAX
10 EXEMPTION FOR THE SALE OF A MOTOR VEHICLE TO A PERSON
11 ENGAGED IN THE BUSINESS OF RENTING MOTOR VEHICLES;
12 AND FOR OTHER PURPOSES.
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Subtitle

15 TO REPEAL THE SALES AND USE TAX EXEMPTION
16 FOR THE SALE OF A MOTOR VEHICLE TO A
17 PERSON ENGAGED IN THE BUSINESS OF RENTING
18 MOTOR VEHICLES.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-63-302(a)(2), concerning the exemption
25 from sales and use tax on vehicles used for rentals of thirty (30) days or
26 less, is repealed.

27 ~~(2) The gross receipts or gross proceeds derived from the sale~~
28 ~~of a motor vehicle to a person engaged in the business of renting a motor~~
29 ~~vehicle required to be licensed is exempt from taxation under the gross~~
30 ~~receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101~~
31 ~~et seq., the compensating use tax levied by the Arkansas Compensating Tax Act~~
32 ~~of 1949, § 26-53-101 et seq., and any municipal or county sales taxes if the~~
33 ~~motor vehicle is used exclusively for the purpose of rentals for periods of~~
34 ~~less than thirty (30) days.~~
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36 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the



1 first day of the second calendar month following the effective date of this
2 act.

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