

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 682 of the Regular Session

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009

# A Bill

SENATE BILL 836

4  
5 By: Senator B. Pritchard  
6  
7

## For An Act To Be Entitled

9 AN ACT TO REPEAL THE REQUIREMENT THAT A DECAL BE  
10 AFFIXED TO HEAVY EQUIPMENT TO PROVE THAT ARKANSAS  
11 TAX WAS PAID ON THE EQUIPMENT OR THAT THE  
12 EQUIPMENT IS EXEMPT FROM TAX; TO AMEND THE METHOD  
13 IN WHICH SELLERS REPORT TAXABLE AND EXEMPT SALES  
14 OF HEAVY EQUIPMENT; AND FOR OTHER PURPOSES.  
15

## Subtitle

16 AN ACT TO AMEND THE METHOD IN WHICH  
17 SELLERS OF HEAVY EQUIPMENT PROVE THAT  
18 ARKANSAS TAX HAS BEEN PAID ON SALES OF  
19 HEAVY EQUIPMENT.  
20  
21  
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

25 SECTION 1. Arkansas Code § 26-52-318(c)-(e), concerning sales of heavy  
26 equipment, is amended to read as follows:

27 ~~(c) The heavy equipment dealer shall affix a decal to each piece of~~  
28 ~~heavy equipment sold as proof that:~~

29 ~~(1) Sales tax has been paid on the heavy equipment; or~~

30 ~~(2) The heavy equipment is exempt from sales tax.~~

31 ~~(d) The director shall develop the decals to be affixed to the heavy~~  
32 ~~equipment.~~

33 ~~(e)(1) A heavy equipment dealer who sells used heavy equipment shall~~  
34 ~~remove the old decal from the used heavy equipment before it is resold and a~~  
35 ~~new decal is affixed.~~



1           ~~(2) If the heavy equipment dealer fails to remove the old decal~~  
2 ~~the director shall assess the following penalties:~~

3                   ~~(A) One hundred dollars (\$100) for the first offense;~~

4                   ~~(B) Two hundred dollars (\$200) for the second offense; and~~

5                   ~~(C) Five hundred dollars (\$500) for the third and~~  
6 ~~subsequent offenses.~~

7           (c) A heavy equipment dealer shall file a quarterly report with the  
8 Department of Finance and Administration identifying all sales of heavy  
9 equipment that are exempt from the gross receipts tax levied in this chapter  
10 including without limitation the:

11                   (1) Name and address of the purchaser;

12                   (2) Item purchased;

13                   (3) Invoice number;

14                   (4) Amount of sales or use tax paid; and

15                   (5) Basis for the exemption.

16  
17           SECTION 2. Arkansas Code § 26-53-147, relating to the payment of use  
18 tax on purchases of heavy equipment, is amended to read as follows:

19           26-53-147. Heavy equipment.

20           (a) Every person purchasing heavy equipment as defined in § 26-52-318  
21 for storage or use within this state from a dealer located outside of this  
22 state, ~~and the person and who~~ does not pay tax to the out-of-state dealer,  
23 ~~shall be~~ is liable for the use tax imposed by this chapter.

24           (b) The purchaser shall pay the use tax to the Director of the  
25 Department of Finance and Administration ~~and receive a decal under § 26-52-~~  
26 ~~318 to affix to each piece of heavy equipment purchased.~~

27           (c) If the purchaser pays the use tax to an out-of-state dealer, the  
28 purchaser shall present proof to the director that the Arkansas use tax has  
29 been paid ~~and receive a decal from the director to affix to each piece of~~  
30 ~~heavy equipment purchased.~~

31  
32           SECTION 3. Effective Date. Sections 1 and 2 of this act are effective  
33 on the first day of the calendar quarter following the effective date of this  
34 act.

35                                   **APPROVED: 3/27/2009**