

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 941 of the Regular Session

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009
4

As Engrossed: H3/16/09

A Bill

HOUSE BILL 1966

5 By: Representative Cheatham
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8 **For An Act To Be Entitled**

9 AN ACT TO PROVIDE A CREDIT OR REBATE ON THE LOCAL
10 SALES AND USE TAX PAID ABOVE TWO THOUSAND FIVE
11 HUNDRED DOLLARS (\$2,500) ON THE PURCHASE OF A
12 TRAILER; AND FOR OTHER PURPOSES.
13

14 **Subtitle**

15 TO PROVIDE A CREDIT OR REBATE ON THE
16 LOCAL SALES AND USE TAX PAID ABOVE TWO
17 THOUSAND FIVE HUNDRED DOLLARS (\$2,500)
18 ON THE PURCHASE OF A TRAILER.
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 *SECTION 1. Arkansas Code § 26-52-523(a), (b), and (c), concerning a*
24 *credit or rebate on local sales and use tax, is amended to read as follows:*

25 *(a) As used in this section:*

26 *(1) "Qualifying purchase" means a purchase of tangible personal*
27 *property or a taxable service:*

28 *(A) For which the purchaser may take a business expense*
29 *deduction pursuant to 26 U.S.C. § 162, as in effect on January 1, 2007;*

30 *(B) For which the purchaser may take a depreciation*
31 *deduction pursuant to 26 U.S.C. § 167, as in effect on January 1, 2007;*

32 *(C) By an exempt organization under 26 U.S.C. § 501, as in*
33 *effect on January 1, 2007, if the purchase would be subject to a business*
34 *expense deduction or depreciation deduction if the purchaser were not an*
35 *exempt organization under 26 U.S.C. § 501, as in effect on January 1, 2007;*



1 or

2 (D) By a state, or any county, city, municipality, school
3 district, state-supported college or university, or any other political
4 subdivision of a state, if the purchase would be subject to a business
5 expense deduction or depreciation deduction if the purchaser were not one (1)
6 of the entities enumerated in this subdivision (a)(1)(D); ~~and~~

7 (2) "Single transaction" means any sale of tangible personal
8 property or a taxable service reflected on a single invoice, receipt, or
9 statement for which an aggregate sales or use tax amount has been reported
10 and remitted to the state for a single local taxing jurisdiction; and

11 (3)(A) "Travel trailer" means a trailer that:

12 (A) Provides temporary living quarters for travel,
13 recreation, or camping;

14 (B) Includes a chassis having wheels and a trailer hitch
15 or fifth wheel for towing; and

16 (C) Is required to be licensed for highway use under
17 Arkansas law.

18 (b)(1) A purchaser that pays any municipal sales or use tax in excess
19 of the tax due on the first two thousand five hundred dollars (\$2,500) of
20 gross receipts or gross proceeds from the purchase of a travel trailer or
21 from a qualifying purchase of tangible personal property or a taxable service
22 in a single transaction is entitled to a credit or rebate of the excess
23 amount of municipal sales or use tax paid on each single transaction.

24 (2) A purchaser that pays any county sales or use tax in excess
25 of the tax due on the first two thousand five hundred dollars (\$2,500) of
26 gross receipts or gross proceeds from the purchase of a travel trailer or
27 from a qualifying purchase of tangible personal property or a taxable service
28 in a single transaction is entitled to a credit or rebate of the excess
29 amount of county sales or use tax paid on each single transaction.

30 (c)(1) A purchaser that is required by § 26-52-501, § 26-52-509, or §
31 26-53-125 to file a sales or use tax return may file a claim for a credit or
32 rebate under this section with the Director of the Department of Finance and
33 Administration in connection with the sales or use tax return and offset the
34 amount of credit or rebate claimed against any municipal or county sales or
35 use tax due to be remitted with the return.

36 (2) A purchaser that qualifies for a credit or rebate under this

1 section and is not required to file a sales or use tax return as provided in
2 subdivision (c)(1) of this section may file a claim for a credit or rebate
3 under this section with the director.

4 (3) If a rebate would be due under this section as a result of
5 the purchase of a travel trailer and if the gross receipts or compensating
6 use tax on the travel trailer is collected directly from the purchaser by the
7 Department of Finance and Administration under § 26-52-510 or § 26-53-126,
8 then the department shall collect only the amount of tax due less the amount
9 to which the purchaser would be entitled under the rebate provisions of this
10 section.

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12 SECTION 2. Effective Date. Section 1 of this act is effective on the
13 first day of the calendar quarter following the effective date of this act.

14
15 /s/ Cheatham

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17 **APPROVED: 4/6/2009**