

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

As Engrossed: S2/9/21

A Bill

HOUSE BILL 1042

5 By: Representative Jett
6 By: Senator M. Johnson
7

For An Act To Be Entitled

9 AN ACT TO REPEAL THE ARKANSAS SPECIAL EXCISE TAX
10 LEVIED ON LONG-TERM RENTAL VEHICLES; AND FOR OTHER
11 PURPOSES.
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Subtitle

14 TO REPEAL THE LONG-TERM RENTAL VEHICLE
15 TAX.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 26-63-304 is repealed.

22 ~~26-63-304. Long-term rental vehicle tax.~~

23 ~~(a)(1) In addition to the gross receipts tax levied by the Arkansas~~
24 ~~Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax~~
25 ~~levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,~~
26 ~~there is levied a long-term rental vehicle tax at the rate of one and five-~~
27 ~~tenths percent (1.5%) on the gross receipts or gross proceeds derived from a~~
28 ~~rental of a motor vehicle required to be licensed and that is leased for a~~
29 ~~period of thirty (30) days or more.~~

30 ~~(2) The gross receipts or gross proceeds derived from the rental~~
31 ~~described in subdivision (a)(1) of this section are taxable regardless of~~
32 ~~whether the gross receipts tax levied by the Arkansas Gross Receipts Act of~~
33 ~~1941, § 26-52-101 et seq., or the compensating use tax levied by the Arkansas~~
34 ~~Compensating Tax Act of 1949, § 26-53-101 et seq., was paid at the time of~~
35 ~~registration.~~

36 ~~(b) If the Chief Fiscal Officer of the State certifies that three~~



1 ~~percent (3%) or more of all new motor vehicles registered in Arkansas during~~
2 ~~a calendar year are leased vehicles based on information and statistics from~~
3 ~~a reliable source, such as R.L. Polk & Co., then the long term rental vehicle~~
4 ~~tax shall expire on June 30 of the fiscal year following the calendar year~~
5 ~~for which the certification is made.~~

6 ~~(c) The long term rental vehicle tax shall be remitted to the~~
7 ~~Secretary of the Department of Finance and Administration and shall be~~
8 ~~deposited into the State Treasury as general revenues.~~

9 ~~(d) The long term rental vehicle tax does not apply to:~~

10 ~~(1) A diesel truck rented or leased for commercial shipping;~~

11 ~~(2) Farm machinery or farm equipment rented or leased for a~~
12 ~~commercial purpose; or~~

13 ~~(3) A gasoline powered or diesel powered truck rented or leased~~
14 ~~for residential moving or shipping.~~

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16 SECTION 2. Arkansas Code § 19-6-201(36), concerning the enumeration of
17 general revenues, is repealed.

18 ~~(36) Long term rental vehicle tax, § 26-63-304;~~

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20 /s/Jett

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23 **APPROVED: 2/24/21**
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