

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

A Bill

HOUSE BILL 1042

5 By: Representative Jett
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For An Act To Be Entitled

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

Subtitle

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 Arkansas Code § 26-63-304 is repealed.

21 ~~26-63-304. Long-term rental vehicle tax.~~

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

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

35 ~~(b) If the Chief Fiscal Officer of the State certifies that three~~
36 ~~percent (3%) or more of all new motor vehicles registered in Arkansas during~~



1 ~~a calendar year are leased vehicles based on information and statistics from~~
 2 ~~a reliable source, such as R.L. Polk & Co., then the long term rental vehicle~~
 3 ~~tax shall expire on June 30 of the fiscal year following the calendar year~~
 4 ~~for which the certification is made.~~

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

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

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

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

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

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

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

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