

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.

INTERIM STUDY PROPOSAL 2007-031

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 1358

By: Representative Sumpter

Referred to
Revenue & Taxation- House
by the House of Representatives
on 03/29/2007

For An Act To Be Entitled

AN ACT TO PROVIDE A SALES TAX EXEMPTION FOR THE
PURCHASE OF NEW QUALIFIED HYBRID VEHICLES; AND
FOR OTHER PURPOSES.

Subtitle

TO PROVIDE A SALES TAX EXEMPTION FOR THE
PURCHASE OF NEW QUALIFIED HYBRID
VEHICLES.

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

SECTION 1. Exemption for new qualified hybrid vehicles.

(a) The gross receipts or gross proceeds derived from the sale of a new qualified hybrid vehicle is exempt from the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(b) As used in this section, "qualified hybrid vehicle" means a new vehicle that has all of the following characteristics:

- (1) A hybrid gasoline or hybrid diesel engine;
- (2) An electric drive train;
- (3) Regeneration braking;

1 (4) An energy storage device or a battery capable of providing
2 motion for the vehicle; and

3 (5) A miles-per-gallon rating from the United States
4 Environmental Protection Agency that is at least twenty-five percent (25%)
5 higher than the miles-per-gallon rating designated for a comparable vehicle
6 that does not have hybrid characteristics.

7 (c) The Energy Office of the Department of Economic Development shall
8 coordinate with the Revenue Division of the Department of Finance and
9 Administration to promulgate rules for the administration of this section.

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11 SECTION 2. Expiration. This act shall expire on June 30, 2011.

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13 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
14 General Assembly of the State of Arkansas that there is a critical need to
15 reduce air pollutants in the State of Arkansas; that certain areas of this
16 state are out of compliance with clean air quality standards; that vehicles
17 are available with technological advances that result in less air pollution
18 and better mileage; and that this act is necessary to minimize the
19 possibility of noncompliance with the United States Environmental Protection
20 Agency air quality standards. Therefore, an emergency is declared to exist
21 and this act being necessary for the preservation of the public peace,
22 health, and safety shall become effective on July 1, 2007.

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