



December 6, 2023 Joint Meeting

Senate Committee on Transportation, Technology, and Legislative Affairs

House Committee on Public Transportation

CHARLIE COLLINS, COMMISSIONER OF REVENUE

PAUL GEHRING, ASSISTANT COMMISSIONER OF REVENUE

CHRISTY EARNHART, ASSISTANT ADMINISTRATOR

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION


Motor Vehicle Purchase

A person who purchases a motor vehicle from a licensed dealer is required obtain one temporary preprinted paper buyer's tag

If the dealer is unable to provide a temporary tag, the purchaser may obtain a temporary tag from the Office of Motor Vehicle

The temporary tag is valid until the earlier of:

- The date of registration, or
- The 60th calendar day after the date of purchase



Motor Vehicle Purchase – Replacement Temporary Tag

If the buyer's temporary tag becomes damaged or destroyed, the buyer may obtain a replacement temporary tag that will be valid until the expiration of the original temporary tag.

Temporary Preprinted Paper Buyers Tags – Demonstration and Loaner Vehicles

A dealer may allow a prospective buyer or customer to drive an unregistered vehicle.

The dealer may issue a temporary tag to a prospective buyer that is valid for 72 hours or to a customer having repairs performed on his or her vehicle for up to 14 days.

Temporary Preprinted Paper Buyers Tags

For each tag provided to a purchaser, the issuer shall retain documentation containing:

- The dealer's name and master license plate number;
- The buyer's name;
- The date the temporary tag was issued;
- The vehicle's VIN;
- The make and model of the vehicle; and
- The expiration date of the temporary tag.

Temporary Preprinted Paper Buyers Tag Database

The required information is submitted to the Office of Motor Vehicle by the issuer via the temporary tag database

Information in the database is available to law enforcement to determine compliance with laws concerning the sale, licensing, and registration of motor vehicles

Temporary Preprinted Paper Buyers Tags Issued by Year

2020

Temporary tags issued - 321,831

Total registrations - 204,224

2021

Temporary tags issued - 310,514

Total registrations - 198,847

2022

Temporary tags issued - 288,490

Total registrations - 177,558

2023

Temporary tag issued - 269,113

Total registrations - 141,363



Motor Vehicle Registration

The buyer pays sales or use tax on the purchase of a motor vehicle or trailer on or before the time for registration

Act 41 of 2023 extended the deadline to register a motor vehicle from 30 to 60 days

Motor Vehicle Registration – State Sales Taxes Collected

2020 Total - \$471,515,823.81 Total

Sales tax collected New Arkansas Dealer=\$259,078,620.39
Sales tax collected Used Arkansas Dealer=\$109,375,182.47
Sales tax Used Arkansas non-dealer=\$18,565,812.23
Sales tax collected New Out of State Dealer=\$47,941,055.88
Sales tax collected Used Out of State Dealer=\$30,593,544.29
Sales tax Used Out of State non-dealer=\$5,961,608.55

2021 Total - \$527,660,322.52 Total

Sales tax collected New Arkansas Dealer=\$281,168,705.56
Sales tax collected Used Arkansas Dealer=\$118,521,941.11
Sales tax Used Arkansas non-dealer=\$23,477,945.18
Sales tax collected New Out of State Dealer=\$9,246,069.56
Sales tax collected Used Out of State Dealer=\$36,720,626.72
Sales tax Used Out of State non-dealer=\$8,525,034.39

2022 Total - \$505,850,859.49 Total

Sales tax collected New Arkansas Dealer=\$264,780,147.02
Sales tax collected Used Arkansas Dealer=\$115,281,104.99
Sales tax Used Arkansas non-dealer=\$25,133,153.65
Sales tax collected New Out of State Dealer=\$55,041,101.86
Sales tax collected Used Out of State Dealer=\$37,087,068.25
Sales tax Used Out of State non-dealer=\$8,528,283.72

2023 Total (Year to Date) - \$466,560,279.04

Sales tax collected New Arkansas Dealer=\$228,943,643.22
Sales tax collected Used Arkansas Dealer=\$109,337,661.05
Sales tax Used Arkansas non-dealer=\$23,079,747.30
Sales tax collected New Out of State Dealer=\$59,111,299.21
Sales tax collected Used Out of State Dealer=\$37,527,147.36
Sales tax Used Out of State non-dealer=\$8,560,780.90

Process for Vehicles Not Registered

- ▶ DFA reviews information entered into the temporary tag database as well as any direct liens that have been filed by the lender providing financing for the vehicle
- ▶ DFA employees may contact the issuing dealer and obtain a copy of the bill of sale
- ▶ If sufficient information is obtained to indicate that Arkansas sales or use tax is due, DFA will issue a Notice of Proposed Assessment to the purchaser

Questions?