

HOUSE RESOLUTION

REQUESTING THE REVENUE SERVICES DIVISION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO DEVELOP A DATA BASE FOR DETERMINING THE ESTIMATED AMOUNT OF SALES TAX REVENUES THAT WOULD BE GENERATED BY TAXING NEW AND USED AUTOMOBILE SALES ON THE BASIS OF THE DIFFERENCE BETWEEN THE PRICE OF THE VEHICLE AND THE TRADE-IN ALLOWANCE ON ANOTHER VEHICLE.

WHEREAS, the Sales Tax Law of this State provides for the collection of tax upon the full price of the sale of a new automobile without allowing any credit for the value of a traded-in vehicle; and

WHEREAS, the lack of adequate statistical information restricts the General Assembly's ability to determine the equities of the present Sales Tax Law with respect to taxing of automobiles as compared to substituting a system whereby credit would be given on the sales price of new and used automobiles for the value of a traded-in vehicle,

NOW THEREFORE,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE REGULAR SESSION OF THE SEVENTY-SIXTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

That the Revenue Services Division of the Department of Finance and Administration is requested to establish a statistical base or methodology for the gathering of reliable data that would enable the General Assembly to determine whether it would be more feasible to levy the sales tax on new and used automobile sales at the purchase price less credit for the value of a traded-in vehicle, in lieu of the present method of taxing new automobiles without credit for a traded-in vehicle.

Such statistical study shall cover a full calendar or fiscal year, and the information derived from such study shall be furnished the Joint Interim Committee on Revenue and Taxation of the Arkansas General Assembly, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.