

HOUSE RESOLUTION

URGING THE REVENUE DIVISION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION AND ALL APPROPRIATE ENFORCEMENT OFFICERS AND PERSONNEL TO CLOSELY MONITOR THE USE AND SALE OF SHOP-BUILT TRAILERS BUILT OUTSIDE ARKANSAS AND BROUGHT INTO ARKANSAS FOR USE OR SALE, TO ASSURE COLLECTION OF SALES AND USE TAXES DUE ON SUCH TRAILERS.

WHEREAS, under the present interpretation of the Arkansas sales tax law, shop-built trailers are not subject to the sales tax since presumably the tax has been paid on all the materials going into the construction of the trailer; and

WHEREAS, individuals in some areas of the State are going outside the State and purchasing alleged shop-built trailers and bringing them into the State and selling them and no sales or use tax is being paid on the trailers; and

WHEREAS, under the present use tax law, items of tangible personal property, including shop trailers, purchased outside the State by a resident of Arkansas for use by the purchaser in the State of Arkansas are subject to the use tax and if such trailers are bought for resale in the State of Arkansas the sale in the State is subject to the sales tax; and

WHEREAS the evasion of the sales or use tax by persons bringing trailers in from out of state for sale is not only unlawful, it deprives the State of much needed revenues and places honest taxpaying Arkansas trailer manufacturers at an unfair competitive disadvantage,

NOW THEREFORE,

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

The House of Representatives hereby urges the Revenue Division of the Department of Finance and Administration and all appropriate enforcement officers and personnel to closely monitor the use and sale of so-called shop-built trailers built outside Arkansas and purchased for use or sale in Arkansas, to assure the payment of all sales and use taxes due on such trailers.

BE IT FURTHER RESOLVED that on adoption of this Resolution, a copy hereof shall be transmitted to the Commissioner of Revenues.