

1 **State of Arkansas**

2 **78th General Assembly**

3 **Regular Session, 1991**

4 **By: Representatives Bryan and Cunningham**

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For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 26-52-510 AND 26-52-126, AS
9 THEY WERE AMENDED BY ACT 3 OF 1991, TO ALLOW A PERSON
10 ENGAGED IN THE BUSINESS OF RENTING OR LEASING LICENSED
11 MOTOR VEHICLES TO DEDUCT THE AMOUNT RECEIVED FROM THE SALE
12 OF A MOTOR VEHICLE FROM THE CONSIDERATION PAID FOR A
13 REPLACEMENT VEHICLE; AND FOR OTHER PURPOSES."

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

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17 SECTION 1. Arkansas Code 26-52-510, as amended by Act 3 of 1991, is
18 amended to add an additional subsection to read as follows:

19 *"(f) A person in the business of renting motor vehicles thirty (30)*
20 *days or less and that collect the rental vehicle tax under §26-52-311 may*
21 *claim a deduction from the sales price of a replacement vehicle equal to the*
22 *lesser of either the sales price of the replaced vehicle or the fair market*
23 *value of the replaced vehicle, if:*

24 *(1) The person resells the replaced vehicle within eighteen (18) months*
25 *after its purchase;*

26 *(2) The person obtained the certificate of title to the replaced*
27 *vehicle and used the replaced vehicle for rental;*

28 *(3) The person purchases the replacement vehicle within twelve (12)*
29 *months after the resale of the replaced vehicle; and*

30 *(4) The person obtains the certificate of title to the replacement*
31 *vehicle and uses the replacement vehicle for rental."*

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33 SECTION 2. Arkansas Code 26-53-126, as amended by Act 3 of 1991, is
34 amended to add an additional subsection to read as follows:

35 *"(e) A person in the business of renting motor vehicles thirty (30)*

1 days or less and that collect the rental vehicle tax under §26-52-311 may
2 claim a deduction from the sales price of a replacement vehicle equal to the
3 lesser of either the sales price of the replaced vehicle or the fair market
4 value of the replaced vehicle, if:

5 (1) The person resells the replaced vehicle within eighteen (18) months
6 after its purchase;

7 (2) The person obtained the certificate of title to the replaced
8 vehicle and used the replaced vehicle for rental;

9 (3) The person purchases the replacement vehicle within twelve (12)
10 months after the resale of the replaced vehicle; and

11 (4) The person obtains the certificate of title to the replacement
12 vehicle and uses the replacement vehicle for rental."

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14 SECTION 3. Every person claiming a deduction under this act shall keep
15 adequate records from which the Director may verify the purchase, use and
16 resale of all original and replacement motor vehicles; consideration received
17 for replaced vehicles; and any other information required by the Arkansas Tax
18 Procedure Act, Ark. Code Ann. §26-18-101 et seq.

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20 SECTION 4. All provisions of this act of a general and permanent
21 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
22 Code Revision Commission shall incorporate the same in the Code.

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24 SECTION 5. If any provision of this act or the application thereof to
25 any person or circumstance is held invalid, such invalidity shall not affect
26 other provisions or applications of the act which can be given effect without
27 the invalid provision or application, and to this end the provisions of this
28 act are declared to be severable.

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30 SECTION 6. All laws and parts of laws in conflict with this act are
31 hereby repealed.

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/s/ L. Bryan and E. Cunningham

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