

1 State of Arkansas

2 80th General Assembly

3 Regular Session, 1995

4 By: Senators Canada and Russ

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For An Act To Be Entitled

8 "AN ACT TO PROVIDE THAT THE FIRST TWO THOUSAND DOLLARS
9 (\$2,000) OF THE SALES PRICE ON USED MOTOR VEHICLES SHALL
10 BE EXEMPT FROM THE GROSS RECEIPTS TAX; AND FOR OTHER
11 PURPOSES."

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Subtitle

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

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20 SECTION 1. Arkansas Code 26-52-510 (b) is amended to read as follows:

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"(b)(1) When a used trailer, or semitrailer is taken in trade as a credit or part payment on the sale of a new or used trailer, or semitrailer, the tax levied by this chapter and all other gross receipts taxes levied by the state shall be paid on the net difference between the total consideration for the new or used trailer, or semitrailer sold and the credit for the used trailer, or semitrailer taken in trade. However, if the total consideration for the sale of the new or used trailer, or semitrailer is less than two thousand dollars (\$2,000), no tax shall be due.

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(2)(A) When a used motor vehicle is taken in trade as a credit or part payment on the sale of a new or used motor vehicle, and the credit or part payment is in excess of two thousand dollars (\$2,000), the tax levied by this chapter and all other gross receipts taxes levied by the state shall be paid on the net difference between the total consideration for the new or used motor vehicle sold and the credit for the used motor vehicle taken in trade and the taxpayer shall not be entitled to the provisions set forth in

A Bill

SENATE BILL

238

1 (b)(2)(B).

2 (B) No tax shall be due on the first two thousand dollars
3 (\$2,000) of the sales price on the sale of a used motor vehicle."

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5 SECTION 2. Arkansas Code 26-53-126 (b) is amended to read as follows:

6 "(b)(1) When a used trailer, or semitrailer is taken in trade as a
7 credit or part payment on the sale of a new or used trailer, or semitrailer,
8 the tax levied herein and all other use taxes levied by the state shall be
9 paid on the net difference between the total consideration for the new or
10 used trailer, or semitrailer sold and the credit for the used trailer, or
11 semitrailer taken in trade. However, if the total consideration for the sale
12 of the new or used trailer, or semitrailer is less than two thousand dollars
13 (\$2,000), no tax shall be due.

14 (2)(A) When a used motor vehicle is taken in trade as a credit
15 or part payment on the sale of a new or used motor vehicle, and the credit or
16 part payment is in excess of two thousand dollars (\$2,000), the tax levied
17 herein and all other use taxes levied by the state shall be paid on the net
18 difference between the total consideration for the new or used motor vehicle
19 sold and the credit for the used motor vehicle taken in trade and the
20 taxpayer shall not be entitled to the provisions set forth in (b)(2)(B).

21 (B) No tax shall be due on the first two thousand dollars
22 (\$2,000) of the sales price on the sale of a used motor vehicle."

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24 SECTION 3. All provisions of this act of a general and permanent
25 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
26 Code Revision Commission shall incorporate the same in the Code.

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28 SECTION 4. If any provision of this act or the application thereof to
29 any person or circumstance is held invalid, such invalidity shall not affect
30 other provisions or applications of the act which can be given effect without
31 the invalid provision or application, and to this end the provisions of this
32 act are declared to be severable.

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34 SECTION 5. All laws and parts of laws in conflict with this act are
35 hereby repealed.

