

1 State of Arkansas  
2 80th General Assembly  
3 Regular Session, 1995

# A Bill

SENATE BILL 650

4 By: Senators Everett and Hoofman  
5 By: Representative Purdom

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## For An Act To Be Entitled

9 "AN ACT TO AMEND SUBCHAPTER 5 OF TITLE 26, CHAPTER 52 OF  
10 THE ARKANSAS CODE OF 1987 ANNOTATED TO PROVIDE A SALES TAX  
11 REFUND FOR CONSUMERS WHO PURCHASE AN AUTOMOBILE WHICH IS  
12 TOTALLY DESTROYED OR IS TOTALLY WRECKED OR DAMAGED IN AN  
13 ACCIDENT WITHIN NINETY (90) DAYS OF THE FIRST PURCHASE;  
14 AND FOR OTHER PURPOSES."

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## Subtitle

16 "TO PROVIDE A SALES TAXES REFUND FOR  
17 CONSUMERS WHO PURCHASE AN AUTOMOBILE  
18 WHICH IS DESTROYED OR IS TOTALED IN AN  
19 ACCIDENT."  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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24 SECTION 1. Subchapter 5 of Title 26, Chapter 52, of the Arkansas Code  
25 of 1987 Annotated is amended by inserting an additional section at the end of  
26 the Subchapter to read as follows:

27 "26-52-516. Refund of sales tax on motor vehicles totally destroyed or  
28 wrecked.

29 (a) When a consumer has paid sales taxes on a motor vehicle within the  
30 last ninety (90) days and the motor vehicle is:

31 (1) totally destroyed by accident or collision;

32 (2) wrecked or damaged in an accident to the extent that the  
33 value of the motor vehicle is less than ten percent (10%) of its retail  
34 value, as found in the National Automobile Dealer's Association Official  
35 Price Guide, or other source approved by the Office of Motor Vehicle;

1           (3) stolen and becomes permanently lost to the consumer or is  
2 damaged in the theft to the extent that the value of the motor vehicle is  
3 less than ten percent (10%) of its retail value, as found in the National  
4 Automobile Dealer's Association Official Price Guide, or other source  
5 approved by the Office of Motor Vehicle,  
6 the consumer may apply to the Director of the Department of Finance and  
7 Administration for a refund voucher in the amount of any state and local  
8 sales or use taxes paid on the motor vehicle transaction.

9           (b) The consumer shall provide to the Department of Finance and  
10 Administration:

11           (1) A written request for a refund voucher in accordance with  
12 § 26-18-507;

13           (2) Evidence that the sales tax was paid when the motor vehicle  
14 was registered;

15           (3) Evidence that the loss occurred within ninety (90) days of  
16 the motor vehicle being first registered; and

17           (4) Any other information as shall be required by the Director  
18 of the Department of Finance and Administration as necessary to issue the  
19 voucher.

20           (c) Claims for refunds of sales or use tax under this section shall be  
21 subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq. Any claim  
22 must be made in writing and filed within one (1) year from the date the  
23 vehicle was first registered.

24           (d) When a consumer has tendered a trade-in motor vehicle toward the  
25 purchase of the vehicle which is refunded under subsection (a) of this  
26 section, the consumer may apply to the Director of the Department of Finance  
27 and Administration for a voucher in the amount of the trade-in vehicle's  
28 consideration.

29           (e) The sales and use tax refund vouchers issued under this section  
30 shall be used to reduce any sales and use taxes due upon registration of a  
31 subsequent replacement vehicle. The refund voucher shall be valid for six  
32 (6) months from the date of issuance and may only be used by the consumer to  
33 whom it was issued.

34           (f) The Director of the Department of Finance and Administration shall  
35 prescribe the forms and other information as is necessary to issue the refund

1 vouchers under this section."

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3       SECTION 2. All provisions of this act of general and permanent nature  
4 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
5 Revision Commission shall incorporate the same in the Code.

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7       SECTION 3. If any provisions of this act or the application thereof to  
8 any person or circumstance is held invalid, the invalidity shall not affect  
9 other provisions or applications of the act which can be given effect without  
10 the invalid provisions or application, and to this end the provisions of this  
11 act are declared to be severable.

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13       SECTION 4. All laws and parts of laws in conflict with this act are  
14 hereby repealed.

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