

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

As Engrossed: S3/18/97 S3/19/97

## A Bill

SENATE BILL 263

4  
5 By: Senators Webb and Hunter  
6 By: Representative Rorie

### For An Act To Be Entitled

9 "AN ACT TO EXEMPT FROM SALES AND USE TAX THE FIRST \$2000  
10 OF CONSIDERATION PAID FOR MOTOR VEHICLES WITH AN AVERAGE  
11 RETAIL VALUE OF LESS THAN \$4,000; TO PROVIDE THAT THE  
12 \$2,000 DEDUCTION SHALL NOT APPLY TO TRAILERS AND SEMI-  
13 TRAILERS; AND FOR OTHER PURPOSES."

### Subtitle

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16  
17 "EXEMPTS FROM SALES AND USE TAX THE  
18 FIRST \$2,000 OF CONSIDERATION PAID FOR  
19 MOTOR VEHICLES WITH AN AVERAGE RETAIL  
20 VALUE OF LESS THAN \$4,000; TO PROVIDE  
21 THAT THE \$2,000 DEDUCTION SHALL NOT  
22 APPLY TO TRAILERS AND SEMI-TRAILERS."

23  
24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

25  
26 SECTION 1. Arkansas Code § 26-52-510(b)(1)(B) is amended to read as  
27 follows:

28 "(B)(i) However, if the total consideration for the sale of the new or  
29 used motor vehicle, trailer, or semitrailer is less than two thousand dollars  
30 (\$2,000), no tax shall be due. However, if the average retail value of the  
31 motor vehicle, as listed in the most current edition of the National  
32 Automobile Dealers' Association's Official Used Car Guide, is less than four  
33 thousand dollars (\$4,000), tax shall be due on the net difference between the  
34 total consideration paid for the motor vehicle and the credit for the motor  
35 vehicle taken in trade, less two thousand dollars (\$2,000).

36 (ii) All used trailers and semitrailers are subject to sales tax

1 without regard to age or sales price."

2

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

4 "(b)(1) When a used motor vehicle, trailer, or semitrailer is taken in  
5 trade as a credit or part payment on the sale of a new or used vehicle,  
6 trailer, or semitrailer, the tax levied herein and all other use taxes levied  
7 by the state shall be paid on the net difference between the total  
8 consideration for the new or used vehicle, trailer, or semitrailer sold and  
9 the credit for the used vehicle, trailer, or semitrailer taken in trade.  
10 ~~However, if the total consideration for the sale of the new or used motor~~  
11 ~~vehicle, trailer, or semitrailer is less than two thousand dollars (\$2,000),~~  
12 ~~no tax shall be due. However, if the average retail value of the motor~~  
13 ~~vehicle, as listed in the most current edition of the National Automobile~~  
14 ~~Dealers' Association's Official Used Car Guide, is less than four thousand~~  
15 ~~dollars (\$4,000), tax shall be due on net difference between the total~~  
16 ~~consideration paid for the motor vehicle and the credit for the motor vehicle~~  
17 ~~taken in trade, less two thousand dollars (\$2,000).~~

18 (2) All used trailers and semitrailers are subject to use tax without  
19 regard to age or sales price."

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21 SECTION 3. The provisions of this act shall be effective on and after  
22 January 1, 1998.

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

27

28 SECTION 5. 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 6. All laws and parts of laws in conflict with this act are  
35 hereby repealed.

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/s/Webb