

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

A Bill

SENATE BILL 738

4
5 By: Senator Smith
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For An Act To Be Entitled

9 "AN ACT TO ALLOW THE SALES AND USE TAX ON USED MOTOR
10 VEHICLES TO BE PAID OVER A PERIOD OF ONE (1) YEAR; AND FOR
11 OTHER PURPOSES."

Subtitle

14 "TO ALLOW THE SALES AND USE TAX ON USED
15 MOTOR VEHICLES TO BE PAID OVER A PERIOD
16 OF ONE (1) YEAR."

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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(a) is amended to read as follows:

21 "(a)(1)(A) The tax levied by this chapter and all other gross receipts
22 taxes levied by the state in respect to the sale of new or used motor
23 vehicles, trailers, or semitrailers required to be licensed in this state
24 shall be paid by the consumer to the Director of the Department of Finance and
25 Administration instead of being collected by the dealer or seller, and it is
26 the mandatory duty of the director to require twenty five percent (25%) of the
27 payment of such tax at the time of registration before issuing licenses for
28 new or used motor vehicles or trailers. The remainder of the tax shall be
29 paid to the Director in three (3) equal installments within a twelve (12)
30 month period as prescribed by the Director.

31 (B)(i) The tax shall apply regardless of whether the motor
32 vehicle, trailer, or semitrailer is sold by a vehicle dealer, or an
33 individual, corporation, or partnership not licensed as a vehicle dealer.

34 (ii) The exemption provided for in § 26-52-401(17) for
35 isolated sales shall not apply to the sale of motor vehicles, trailers, or
36 semitrailers.

1 (2)(A) Twenty-five percent (25%) of ~~T~~the tax levied by this
 2 chapter and twenty-five percent (25%) of all other gross receipts taxes levied
 3 by the state in respect to the sale of new or used motor vehicles, trailers,
 4 or semitrailers required to be licensed in this state shall be paid by the
 5 consumer on or before the time for registration as prescribed by § 27-14-
 6 903(a).

7 (B)(i) Failure to pay the tax when due shall result in an
 8 assessment of a penalty equal to ten percent (10%) of the amount of tax due.

9 (ii) The penalty must be paid to the director along with
 10 the tax before the vehicle license will be issued."

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

13 "(a)(1)(A)(i) All new and used motor vehicles, trailers, or
 14 semitrailers required to be licensed in this state shall, upon being
 15 registered in this state, be subject to the tax levied herein and all other
 16 use taxes levied by the state irrespective of whether such motor vehicle,
 17 trailer, or semitrailer was purchased from a dealer or an individual.

18 (ii) The tax shall be paid to the director by the person
 19 making application to register the motor vehicle, trailer, or semitrailer
 20 instead of being collected by the dealer or individual seller.

21 (iii) It shall be the mandatory duty of the director to
 22 collect twenty-five percent (25%) of the tax before issuing a license for any
 23 motor vehicle, trailer, or semitrailer. The remainder of the tax shall be
 24 paid to the director in three (3) equal installments within a twelve (12)
 25 month period as prescribed by the Director.

26 (B) The exemption provided for in § 26-52-401(17) for
 27 isolated sales shall not apply to the sale of motor vehicles, trailers, and
 28 semitrailers.

29 (2)(A) Twenty-five percent (25%) of ~~T~~the tax levied herein and all
 30 other use taxes levied by the state shall be paid on or before the time for
 31 registration as prescribed by § 27-14-903(a).

32 (B)(i) Failure to pay the tax when due shall result in an
 33 assessment of a penalty equal to ten percent (10%) of the amount of tax due.

34 (ii) The penalty must be paid to the director along with
 35 the tax before the vehicle license will be issued."

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

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5 SECTION 4. If any provision of this act or the application thereof to
6 any person or circumstance is held invalid, such invalidity shall not affect
7 other provisions or applications of the act which can be given effect without
8 the invalid provision or application, and to this end the provisions of this
9 act are declared to be severable.

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

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