

State of Arkansas  
83rd General Assembly  
Regular Session, 2001

## A Bill

SENATE BILL 310

By: Senator T. Smith

### For An Act To Be Entitled

AN ACT TO AMEND ARKANSAS CODE 26-52-510 AND 26-53-126  
TO REQUIRE THAT THE SELLER OF A USED VEHICLE CLAIMING  
A TAX CREDIT ON THE PURCHASE OF A NEW OR USED VEHICLE  
PROVIDE A COPY OF THE BILL OF SALE SIGNED BY ALL  
PARTIES TO THE TRANSACTION UPON REGISTRATION OF THE  
NEW OR USED VEHICLE; AND FOR OTHER PURPOSES.

### Subtitle

TO REQUIRE THE SELLER OF A USED VEHICLE  
CLAIMING A TAX CREDIT ON THE PURCHASE OF  
A NEW OR USED VEHICLE TO PROVIDE A COPY  
OF THE BILL OF SALE SIGNED BY ALL  
PARTIES TO THE TRANSACTION UPON  
REGISTRATION OF THE NEW OR USED VEHICLE.

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

SECTION 1. Arkansas Code 26-52-510(b)(1)(C) pertaining to the sale of a  
used motor vehicle, trailer or semi trailer by a consumer is amended to read as  
follows:

(C)(i) When a used motor vehicle, trailer, or semi trailer is sold by a  
consumer, rather than traded-in as a credit or part payment on the sale of a  
new or used motor vehicle, trailer, or semi trailer, and the consumer  
subsequently purchases a new or used vehicle, trailer or semi trailer of  
greater value within forty-five (45) days of the sale, 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

1 vehicle, trailer, or semi trailer purchased subsequently and the amount  
 2 received from the sale of the used vehicle, trailer, or semi trailer sold in  
 3 lieu of a trade-in.

4 (ii) Upon registration of the new or used motor vehicle, consumers  
 5 claiming the deduction provided by § 26-52-510(b)(1)(C)(i) shall provide a  
 6 bill of sale signed by all parties to the transaction which reflects the total  
 7 consideration paid to the seller for the vehicle. A copy of the bill of sale  
 8 shall be deposited with the revenue office at the time of registration of the  
 9 new or used motor vehicle. The deduction provided by this section shall not  
 10 be allowed unless the taxpayer claiming the deduction provides a copy of a  
 11 bill of sale signed by all parties to the transaction which reflects the total  
 12 consideration paid to the seller for the vehicle.

13 (iii) If the taxpayer claiming the deduction provided in this section  
 14 fails to provide a bill of sale signed by all parties to the transaction which  
 15 reflects the total consideration paid to the seller for the vehicle, tax shall  
 16 be due on the total consideration paid for the new or used vehicle, trailer or  
 17 semi trailer without any deduction for the value of the item sold.

18  
 19 SECTION 2. Arkansas Code 26-53-126(b)(3) pertaining to the sale of a  
 20 used motor vehicle, trailer or semi trailer by a consumer is amended to read as  
 21 follows:

22 (b)(3)(A) When a used motor vehicle, trailer, or semi trailer is sold by  
 23 a consumer, rather than traded in as a credit or part payment on the sale of a  
 24 new or used motor vehicle, trailer, or semi trailer, and the consumer  
 25 subsequently purchases a new or used vehicle, trailer or semi trailer of  
 26 greater value within forty-five (45) days of the sale, the tax levied by this  
 27 chapter and all other gross receipts taxes levied by the state shall be paid  
 28 on the net difference between the total consideration for the new or used  
 29 vehicle, trailer, or semi trailer purchased subsequently and the amount  
 30 received from the sale of the used vehicle, trailer, or semi trailer sold in  
 31 lieu of a trade-in.

32 (B) Upon registration of the new or used motor vehicle, consumers  
 33 claiming the deduction provided by § 26-53-126(b)(3)(A) shall provide a bill  
 34 of sale signed by all parties to the transaction which reflects the total  
 35 consideration paid to the seller for the vehicle. A copy of the bill of sale  
 36 shall be deposited with the revenue office at the time of registration of the

1 new or used motor vehicle. The deduction provided by this section shall not be  
2 allowed unless the taxpayer claiming the deduction provides a copy of a bill  
3 of sale signed by all parties to the transaction which reflects the total  
4 consideration paid to the seller for the vehicle.

5 (C) If the taxpayer claiming the deduction provided in this section  
6 fails to provide a bill of sale signed by all parties to the transaction which  
7 reflects the total consideration paid to the seller for the vehicle, tax shall  
8 be due on the total consideration paid for the new or used vehicle, trailer or  
9 semi trailer without any deduction for the value of the item sold.