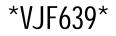
Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1	State of Arkansas	As Engrossed: S2/27/01	
2	83rd General Assembly	A Bill	
3	Regular Session, 2001	SENATE BILL 581	
4			
5	By: Senators K. Smith, Horn, Miller, J. Jeffress		
6	By: Representatives Bevis, Jones, House, Lewellen, Judy, Dees, Adams, Allison, Bond, Bookout, Boyd,		
7	Bradford, Bright, Bolin, Borhauer, Carson, Clemons, Cowling, Creekmore, Eason, J. Elliott, Fite,		
8	Gillespie, Gipson, Glover, Goss, Green, Hathorn, Hausam, Hickinbotham, Jackson, Jacobs, G. Jeffress,		
9	C. Johnson, King, Ledbetter, Lendall, Lowery, McMellon, Mack, Mathis, Moore, Napper, Nichols,		
10	Oglesby, Prater, Rankin, Rodgers, Roebuck, Salmon, Shoffner, Scrimshire, Scroggin, Seawel, R. Smith,		
11	M. Steele, T. Steele, Stovall, Thomas, Trammell, Weaver, White, Wood		
12			
13			
14	For An Act To Be Entitled		
15		TABLISH THE ARKANSAS PUBLIC TRANSIT TRUST	
16	FUND; AND FO	R OTHER PURPOSES.	
17			
18		Subtitle	
19		ABLISH THE ARKANSAS PUBLIC TRANSIT	
20	TRUST	UND.	
21			
22			
23	BE IT ENACTED BY THE GEN	ERAL ASSEMBLY OF THE STATE OF ARKANSAS:	
24			
25		as Code 26-52-311 is amended to read as follows:	
26	26-52-311. Rental		
27		n to the gross receipts tax or compensating use tax	
28	J	e is levied a tax to be known as the "rental vehicle	
29	tax". The rental vehicle	tax shall be levied on the gross receipts or gross	
30	proceeds derived from re	ntals of licensed motor vehicles leased for a period	
31	of less than thirty (30)	days. The gross receipts or gross proceeds derived	
32	from the rentals shall be taxable whether or not the gross receipts tax levied		
33	by § 26-52-101 et seq., or the compensating use tax levied by § 26-53-101 et		
34	seq., was paid at the ti	me of registration.	
35	(2) The gro	ss receipts or gross proceeds derived from the sale of	
36	a motor vehicle to a per	son engaged in the business of renting licensed motor	



As Engrossed: S2/27/01

SB581

1 vehicles shall be exempt from taxation under the gross receipts tax levied by 2 § 26-52-101 et seq., the compensating use tax levied § 26-53-101 et seq., and any municipal or county sales taxes, if the motor vehicle is used exclusively 3 4 for the purpose of rentals for a period of less than thirty (30) days. (b)(1) The In addition to the rate in subsection (c), the rental 5 6 vehicle tax shall be levied at the same rate as the combined gross receipts 7 taxes levied by §§ 26-52-301 and 26-52-302 and any act supplemental thereto 8 and the rate of any applicable municipal or county taxes. 9 (c) (2) Except as provided otherwise in this section, the tax shall be collected, reported, and paid in the same manner and at the same time 10 11 as is prescribed by law for the collection, reporting, and payment of the 12 gross receipts tax imposed by § 26-52-101 et seq. 13 $\frac{(d)(1)}{(3)}(A)$ The rental vehicle tax shall be remitted to the Director of the Department of Finance and Administration and, except for the 14 15 amount equal to the municipal and county taxes, shall be deposited in the 16 State Treasury as general revenues. 17 (2)(B) The amount of the tax which is based on the 18 municipal and county sales taxes shall be remitted to the city or county in 19 the same manner as for municipal and county sales taxes. 20 (c)(1) There is also imposed another additional rental vehicle tax at 21 the rate of five percent (5%) on the gross receipts or gross proceeds derived 22 from the rentals of licensed motor vehicles leased for a period of less than 23 thirty (30) days. 24 (2) Except as provided otherwise in this section, the tax shall be collected, reported, and paid in the same manner and at the same time as is 25 26 prescribed by law for the collection, reporting, and payment of the gross 27 receipts tax imposed by the Arkansas Gross Receipts Act of 1941. 28 (3)(A)(i) The rental vehicle tax shall be remitted to the 29 Director of the Department of Finance and Administration and the first two 30 million, eight hundred fifty thousand dollars (\$2,850,000) each year of the 31 net revenues derived from the tax imposed by this subsection (c) shall be 32 deposited in the Arkansas Public Transit Trust Fund, which is created on the 33 books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State. 34 35 (ii) The monies shall be used by the Arkansas State 36 Highway and Transportation Department for the purpose of acquiring federal

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As Engrossed: S2/27/01

SB581

1	matching funds for the purchase of public transportation vehicles, public		
2	transit equipment or facilities, and for the operation of the United States		
3	Department of Transportation Federal Transit Administration Assistance		
4	programs.		
5	(B) The remaining revenues shall be deposited in the		
6	General Education Public School Fund Account to be used exclusively for		
7	teacher salaries.		
8	(e)<u>(</u>d) (1) It shall be unlawful for any person engaged in the business		
9	of renting licensed motor vehicles for a period of less than thirty (30) days		
10	to include a surcharge on the rental of the motor vehicles for any gross		
11	receipts taxes or compensating use taxes paid by the person.		
12	(2) Any person who violates this section shall be subject to a		
13	fine not to exceed one thousand dollars (\$1,000).		
14	(f) (e) The tax levied by this section shall not apply to the lease or		
15	rental of diesel trucks rented or leased for commercial shipping or farm		
16	machinery or farm equipment rented or leased for a commercial purpose.		
17	(g)(f) The rental vehicle tax shall not apply to gasoline or diesel-		
18	powered trucks rented or leased for residential moving or shipping.		
19			
20	SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General		
21	Assembly that public transportation vehicles, equipment, and facilities need		
22	to be replaced or purchased in order to ensure the safety of the citizens on		
23	the roads in the State of Arkansas. Matching federal funds enables the State		
24	of Arkansas to receive assistance in the purchase of these items. Therefore,		
25	an emergency is declared to exist and this act being immediately necessary for		
26	the preservation of the public peace, health and safety shall become effective		
27	<u>on July 1, 2001.</u>		
28	/s/ K. Smith		
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