

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  
2 83rd General Assembly  
3 Regular Session, 2001

# A Bill

SENATE BILL 714

4  
5 By: Senator B. Johnson  
6  
7

## For An Act To Be Entitled

8  
9 AN ACT CONCERNING DIESEL TRUCK LEASING; AND FOR OTHER  
10 PURPOSES.  
11

### Subtitle

12  
13 AN ACT CONCERNING DIESEL TRUCK LEASING.  
14  
15

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
17

18 SECTION 1. Arkansas Code 26-52-103(a)(3)(C), pertaining to the  
19 definition of sale for purposes of the Arkansas Gross Receipts Act of 1941,  
20 is amended to read as follows:

21 (C)(i) In the case of leases or rentals for less than  
22 thirty (30) days of tangible personal property including motor vehicles and  
23 trailers, other than diesel trucks used for commercial shipping, the tax  
24 shall be paid on the basis of rental or lease payments made to the lessor of  
25 such tangible personal property during the term of the lease or rental  
26 regardless of whether Arkansas gross receipts tax or compensating use tax was  
27 paid by the lessor at the time of the purchase of the property. If a lessor  
28 of diesel trucks used for commercial shipping elects to pay tax at the time  
29 of registration, no tax shall be due on the lease or rental payments.

30 (ii) In the case of leases or rentals for thirty  
31 (30) days or more of tangible personal property including motor vehicles and  
32 trailers, the tax shall be paid on the basis of rental or lease payments made  
33 to the lessor of the tangible personal property during the term of the lease  
34 or rental unless Arkansas gross receipts tax or compensating use tax was paid  
35 by the lessor at the time of the purchase of the property.

36 ~~(iii) Any person engaged in the business of leasing~~

1 ~~or renting motor vehicles shall collect, report, and remit gross receipts tax~~  
2 ~~on the lease or rental payments in lieu of paying tax at the time of~~  
3 ~~registration.~~

4  
5 SECTION 2. Arkansas Code 26-52-311(a), concerning the rental vehicle  
6 tax, is amended to read as follows:

7 (a)(1) In addition to the gross receipts tax or compensating use tax  
8 levied by Title 26, there is levied a tax to be known as the "rental vehicle  
9 tax". The rental vehicle tax shall be levied on the gross receipts or gross  
10 proceeds derived from rentals of licensed motor vehicles leased for a period  
11 of less than thirty (30) days. The gross receipts or gross proceeds derived  
12 from the rentals of vehicles other than diesel trucks used for commercial  
13 shipping shall be taxable whether or not the gross receipts tax levied by §  
14 26-52-101 et seq., or the compensating use tax levied by § 26-53-101 et seq.,  
15 was paid at the time of registration. If a lessor of diesel trucks used for  
16 commercial shipping elects to pay tax at the time of registration, no tax  
17 shall be due on the lease or rental payments.

18 (2) The gross receipts or gross proceeds derived from the sale  
19 of a motor vehicle to a person engaged in the business of renting licensed  
20 motor vehicles shall be exempt from taxation under the gross receipts tax  
21 levied by § 26-52-101 et seq., the compensating use tax levied § 26-53-101 et  
22 seq., and any municipal or county sales taxes, if the motor vehicle is used  
23 exclusively for the purpose of rentals for a period of less than thirty (30)  
24 days.

25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36