

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 84th General Assembly
3 Regular Session, 2003

A Bill

HOUSE BILL 1030

4
5 By: Representatives House, Agee, Bolin, Biggs, Borhauer, Clemons, Cowling, Dickinson, Eason, Fite,
6 Green, Hutchinson, Jackson, Jones, Mack, Mathis, Ormond, L. Prater, Rankin, Seawel, Sullivan, Thomas,
7 J. Wood
8 By: Senators Holt, Whitaker, Womack

For An Act To Be Entitled

9
10
11 AN ACT TO EXEMPT FROM THE STATE SALES AND USE TAX
12 THE GROSS RECEIPTS IN EXCESS OF ONE THOUSAND
13 DOLLARS (\$1000) DERIVED FROM THE SALE OF A TRUCK
14 TRACTOR AND IN EXCESS OF FIVE HUNDRED DOLLARS
15 (\$500) DERIVED FROM THE SALE OF A SEMITRAILER;
16 AND FOR OTHER PURPOSES.
17

Subtitle

18
19 TO EXEMPT FROM THE STATE SALES AND USE
20 TAX THE GROSS RECEIPTS IN EXCESS OF ONE
21 THOUSAND DOLLARS (\$1000) DERIVED FROM
22 THE SALE OF A TRUCK TRACTOR AND IN
23 EXCESS OF FIVE HUNDRED DOLLARS (\$500)
24 DERIVED FROM THE SALE OF A SEMITRAILER.
25
26
27

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

29
30 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
31 to add an additional section to read as follows:

32 26-52-433. Certain classes of trucks or trailers.

33 (a) For the purpose of this section:

34 (1) "Legal entity" means a legal entity recognized by the laws
35 of this state that owned, leased, or rented a physical structure within this
36 state at the time of purchasing a truck tractor or semitrailer in this state;



1 (2) "Person" means a natural person who resided in this state at
2 the time of purchasing a truck tractor or semitrailer in this state;

3 (3) "Reside" means to be physically present and to maintain a
4 permanent place of business in the State of Arkansas;

5 (4) "Semitrailer" means every vehicle with or without motive
6 power, including a pole trailer, drawn by a truck tractor and designed for
7 carrying property; and

8 (5) "Truck tractor" means a motor vehicle:

9 (A) Designed and used primarily for drawing other vehicles
10 and not so constructed as to carry a load other than a part of the weight of
11 the vehicle and load so drawn; and

12 (B) Registered as a Class Four, Class Five, Class Six,
13 Class Seven, or Class Eight truck, as defined by § 27-14-601(a)(3).

14 (b) Except as provided in subsection (d), the gross receipts or gross
15 proceeds in excess of one thousand dollars (\$1,000) derived from the sale of
16 a new or used truck tractor in this state are exempt from the Arkansas gross
17 receipts tax levied by the Arkansas Gross Receipts Act of 1941, as amended,
18 §§ 26-52-101 through 26-52-1006.

19 (c) Except as provided in subsection (d) the gross receipts or gross
20 proceeds in excess of five hundred dollars (\$500) derived from the sale of a
21 new or used semitrailer in this state are exempt from the Arkansas gross
22 receipts tax levied by the Arkansas Gross Receipts Act of 1941, as amended,
23 §§ 26-52-101 through 26-52-1006.

24 (d) The exemption in this section does not apply to gross receipts
25 taxes levied by any Arkansas city, town, or county.

26 (e) After the effective date of this section, the State of Arkansas
27 shall not assess or collect gross receipts tax, interest, or penalties from a
28 person or legal entity that would otherwise be due on the purchase of a new
29 or used truck tractor or semitrailer in this state between January 1, 1995,
30 and the effective date of this section if the person or entity licensed or
31 registered the truck tractor or semitrailer in another state using a third
32 party agent or any other method.

33
34 SECTION 2. Arkansas Code Title 26, Chapter 53, Subchapter 1 is amended
35 to add an additional section to read as follows:

36 (a) For the purpose of this section:

1 26-53-141. Certain classes of trucks or trailers.

2 (1) "Legal entity" means a legal entity recognized by the laws
 3 of this state that owned, leased, or rented a physical structure within this
 4 state at the time of purchasing a truck tractor or semitrailer in another
 5 state;

6 (2) "Person" means a natural person who resided in this state at
 7 the time of purchasing a truck tractor or semitrailer in another state;

8 (3) "Reside" means to be physically present and to maintain a
 9 permanent place of business in the State of Arkansas;

10 (4) "Semitrailer" means every vehicle with or without motive
 11 power, including a pole trailer, drawn by a truck tractor and designed for
 12 carrying property; and

13 (5) "Truck tractor" means a motor vehicle:

14 (A) Designed and used primarily for drawing other vehicles
 15 and not so constructed as to carry a load other than a part of the weight of
 16 the vehicle and load so drawn; and

17 (B) Registered as a Class Four, Class Five, Class Six,
 18 Class Seven, or Class Eight truck, as defined by § 27-14-601(a)(3).

19 (b) Except as provided in subsection (d), the gross receipts or gross
 20 proceeds in excess of one thousand dollars (\$1,000) derived from the sale of
 21 a new or used truck tractor in another state for use in this state are exempt
 22 from the Arkansas compensating use tax levied by the Arkansas Compensating
 23 Tax Act of 1949, §§ 26-53-101 et seq.

24 (c) Except as provided in subsection (d), the gross receipts or gross
 25 proceeds in excess of five hundred dollars (\$500) derived from the sale of a
 26 new or used semitrailer in another state for use in this state are exempt
 27 from the Arkansas compensating use tax levied by the Arkansas Compensating
 28 Tax Act of 1949, §§ 26-53-101 et seq.

29 (d) The exemption in this section does not apply to compensating use
 30 taxes levied by any Arkansas city, town, or county.

31 (e) After the effective date of this section, the State of Arkansas
 32 shall not assess or collect compensating use tax, interest, or penalties from
 33 a person or legal entity that would otherwise be due on the purchase of a new
 34 or used truck tractor or semitrailer in another state between January 1,
 35 1995, and the effective date of this section if the person or entity licensed
 36 or registered the truck tractor or semitrailer in another state using a third

1 party agent or any other method, and used the truck tractors or semitrailers
 2 in this state.

3
 4 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
 5 General Assembly of the State of Arkansas that a recent Oklahoma federal
 6 court decision drastically affected the Arkansas trucking industry by
 7 preventing Arkansas trucking companies, partnerships, and independent
 8 operators from using third party registration agents in Oklahoma to register
 9 their equipment; that the Arkansas Department of Finance and Administration
 10 has indicated its intent to collect gross receipts and compensating use tax
 11 on trucking equipment purchased for at least the past three (3) years by
 12 Arkansas trucking businesses that used third party registration agents in
 13 Oklahoma to register their equipment; the collection of gross receipts or
 14 compensating use tax on trucking equipment purchased for the past three (3)
 15 years or longer will have a devastating effect on the trucking industry in
 16 Arkansas, including forcing trucking businesses out of business, into
 17 bankruptcy, or to relocate outside of Arkansas; that the future collection of
 18 gross receipts and compensating use tax on the total sale price of trucking
 19 equipment registered in Arkansas will have a similar chilling effect on the
 20 trucking industry in the State of Arkansas; that this act is immediately
 21 necessary to prevent the severe and sudden economic hardships on the trucking
 22 industry in Arkansas because it provides amnesty for trucking businesses that
 23 used third party registration agents in Oklahoma to register their equipment
 24 from January 1, 1995, until the effective date of this act, and it limits the
 25 amount of the sale that is taxable in the future to prevent severe and sudden
 26 economic hardships on the trucking industry in Arkansas. Therefore, an
 27 emergency is declared to exist and this act being immediately necessary for
 28 the preservation of the public peace, health, and safety shall become
 29 effective on:

30 (1) The date of its approval by the Governor;

31 (2) If the bill is neither approved nor vetoed by the Governor,
 32 the expiration of the period of time during which the Governor may veto the
 33 bill; or

34 (3) If the bill is vetoed by the Governor and the veto is
 35 overridden, the date the last house overrides the veto.

36