

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
4

As Engrossed: H1/24/03

A Bill

HOUSE BILL 1030

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, *Martin, Bledsoe, P. Bookout, Bright, Judy, Key, Matayo, Parks, Petrus, Roebuck, Rosenbaum, J.*
8 *Taylor, Walters, Wood, Kenney, Lamoureux*
9 By: *Senators Holt, Whitaker, Womack, Hendren, G. Jeffress, J. Jeffress, J. Bookout, Bisbee, Trusty,*
10 *Baker, Wilkinson*
11
12

For An Act To Be Entitled

13 AN ACT TO EXEMPT FROM THE STATE SALES AND USE TAX
14 THE GROSS RECEIPTS IN EXCESS OF ONE THOUSAND
15 DOLLARS (\$1000) DERIVED FROM THE SALE OF A TRUCK
16 TRACTOR AND IN EXCESS OF FIVE HUNDRED DOLLARS
17 (\$500) DERIVED FROM THE SALE OF A SEMITRAILER;
18 AND FOR OTHER PURPOSES.
19

Subtitle

20
21 TO EXEMPT FROM THE STATE SALES AND USE
22 TAX THE GROSS RECEIPTS IN EXCESS OF ONE
23 THOUSAND DOLLARS (\$1000) DERIVED FROM
24 THE SALE OF A TRUCK TRACTOR AND IN
25 EXCESS OF FIVE HUNDRED DOLLARS (\$500)
26 DERIVED FROM THE SALE OF A SEMITRAILER.
27
28
29

30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
31

32 *SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended*
33 *to add an additional section to read as follows:*

34 *"26-52-433. Certain classes of trucks or trailers.*

35 *(a) For the purpose of this section:*

36 *(1) "Legal entity" means a legal entity recognized by the laws*



1 of this state that owned, leased, or rented a physical structure within this
2 state at the time of purchasing a truck tractor or semitrailer in this state;

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

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

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

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

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

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

16 (b) Except as provided in subsection (d), the gross receipts or gross
17 proceeds in excess of one thousand dollars (\$1,000) derived from the sale of
18 a new or used truck tractor in this state are exempt from the Arkansas gross
19 receipts tax levied by the Arkansas Gross Receipts Act of 1941, as amended,
20 §§ 26-52-101 through 26-52-1006.

21 (c) Except as provided in subsection (d) the gross receipts or gross
22 proceeds in excess of five hundred dollars (\$500) derived from the sale of a
23 new or used semitrailer in this state are exempt from the Arkansas gross
24 receipts tax levied by the Arkansas Gross Receipts Act of 1941, as amended,
25 §§ 26-52-101 through 26-52-1006.

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

28 (e)(1) It is the intent of the Uniform Motor Vehicle Administration,
29 Certificate of Title, and Antitheft Act, § 27-14-101 et seq., that any
30 reciprocal agreements consummated with the authorized officials or
31 representatives of any one or more states of the United States, whereby
32 residents of a state other than Arkansas who operate commercial motor
33 vehicles may allocate and apportion the registration of the commercial motor
34 vehicles in accordance with any formula mutually agreed upon between the
35 commission and the representatives or officials of the state if residents of
36 this state are granted the same allocation and apportionment privileges for

1 the registration of commercial motor vehicles in the other state, shall be
2 given effect notwithstanding the fact that the other state may have allowed
3 registration in that state using a third party agent.

4 (2) Accordingly, the State of Arkansas shall not assess or
5 collect from any person or legal entity any gross receipts tax, interest, or
6 penalties on the purchase of a new or used truck tractor or semitrailer in
7 this state if the truck tractor or semitrailer was registered or licensed in
8 another state under a reciprocal agreement contemplated by the Uniform Motor
9 Vehicle Administration, Certificate of Title, and Antitheft Act, § 27-14-101
10 et seq., notwithstanding the fact that the other state may have allowed
11 registration in that state using a third party agent.

12
13 SECTION 2. Arkansas Code Title 26, Chapter 53, Subchapter 1 is amended
14 to add an additional section to read as follows:

15 26-53-141. Certain classes of trucks or trailers.

16 (a) For the purpose of this section:

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

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

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

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

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

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

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

34 (b) Except as provided in subsection (d), the gross receipts or gross
35 proceeds in excess of one thousand dollars (\$1,000) derived from the sale of
36 a new or used truck tractor in another state for use in this state are exempt

1 from the Arkansas compensating use tax levied by the Arkansas Compensating
2 Tax Act of 1949, §§ 26-53-101 et seq.

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

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

10 (e)(1) It is the intent of the Uniform Motor Vehicle Administration,
11 Certificate of Title, and Antitheft Act, § 27-14-101 et seq., that any
12 reciprocal agreements consummated with the authorized officials or
13 representatives of any one or more states of the United States, whereby
14 residents of a state other than Arkansas who operate commercial motor
15 vehicles may allocate and apportion the registration of the commercial motor
16 vehicles in accordance with any formula mutually agreed upon between the
17 commission and the representatives or officials of the state if residents of
18 this state are granted the same allocation and apportionment privileges for
19 the registration of commercial motor vehicles in the other state, shall be
20 given effect notwithstanding the fact that the other state may have allowed
21 registration in that state using a third party agent.

22 (2) Accordingly, the State of Arkansas shall not assess or
23 collect from any person or legal entity any compensating use tax, interest,
24 or penalties on the purchase of a new or used truck tractor or semitrailer in
25 another state and used in this state if the truck tractor or semitrailer was
26 registered or licensed in another state under a reciprocal agreement
27 contemplated by the Uniform Motor Vehicle Administration, Certificate of
28 Title, and Antitheft Act, § 27-14-101 et seq., notwithstanding the fact that
29 the other state may have allowed registration in that state using a third
30 party agent.

31
32 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
33 General Assembly of the State of Arkansas that a recent Oklahoma court
34 decision drastically affected the Arkansas trucking industry by preventing
35 Arkansas trucking companies, partnerships, and independent operators from
36 using third party registration agents in Oklahoma to register their

1 equipment; that the Arkansas Department of Finance and Administration has
2 indicated its intent to collect gross receipts and compensating use tax on
3 trucking equipment purchased for at least the past three (3) years by
4 Arkansas trucking businesses that used third party registration agents in
5 Oklahoma to register their equipment; the collection of gross receipts or
6 compensating use tax on trucking equipment purchased for the past three (3)
7 years or longer will have a devastating effect on the trucking industry in
8 Arkansas, including forcing trucking businesses out of business, into
9 bankruptcy, or to relocate outside of Arkansas; that the future collection of
10 gross receipts and compensating use tax on the total sale price of trucking
11 equipment registered in Arkansas will have a similar chilling effect on the
12 trucking industry in the State of Arkansas; that this act is immediately
13 necessary to prevent the severe and sudden economic hardships on the trucking
14 industry in Arkansas. Therefore, an emergency is declared to exist and this
15 act being immediately necessary for the preservation of the public peace,
16 health, and safety shall become effective on:

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

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

21 (3) If the bill is vetoed by the Governor and the veto is
22 overridden, the date the last house overrides the veto."

23 /s/ House, et al
24
25
26
27
28
29
30
31
32
33
34
35
36