

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 1130

5 By: Representatives Gillespie, Stovall, Haak, Milligan, Napper
6 By: Senators Laverty, *B. Johnson*
7

For An Act To Be Entitled

10 AN ACT TO EXEMPT FROM SALES OR USE TAX CLASS TWO
11 THROUGH CLASS EIGHT COMMERCIAL TRUCKS AND SEMI-
12 TRAILERS; TO IMPOSE AN ADDITIONAL REGISTRATION
13 FEE EQUAL TO TWENTY PERCENT (20%) OF THE EXISTING
14 FEE; AND FOR OTHER PURPOSES.
15

Subtitle

16 EXEMPTS COMMERCIAL TRUCKS AND TRAILERS
17 FROM SALES OR USE TAX; IMPOSES TWENTY
18 PERCENT (20%) ADDITIONAL REGISTRATION
19 FEE.
20
21
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
24

25 SECTION 1. Arkansas Code § 27-14-601(a), concerning fees for
26 registering and licensing motor vehicles, is amended to add an additional
27 subdivision to read as follows:

28 (7) Additional registration fee.

29 (A) There shall be paid an additional registration fee
30 equal to twenty percent (20%) of the fee required by § 27-14-601(a)(3) for a
31 new or used motor vehicle registered as a Class Two, Class Three, Class Four,
32 Class Five, Class Six, Class Seven, or Class Eight vehicle.

33 (B) There shall be paid an additional registration fee
34 equal to twenty percent (20%) of the fee required by § 27-14-601(a)(3)(I) for
35 all new or used trailers or semi-trailers registered as Class Nine vehicles,
36 except that no additional fee shall apply to trailers registered under § 27-



1 14-601(a)(3)(I)(i)(a)(1).

2 (C) The additional registration fee shall be paid at the
 3 time of the vehicle registration and shall be deposited into the State
 4 Treasury as general revenue.

5
 6 SECTION 2. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
 7 to add an additional section to read as follows:

8 26-52-433. Commercial vehicles.

9 (a) The gross receipts or gross proceeds derived from the sale of a
 10 new or used motor vehicle registered as a Class Two, Class Three, Class Four,
 11 Class Five, Class Six, Class Seven, or Class Eight vehicle under § 27-14-
 12 601(a)(3) is exempt from the Arkansas gross receipts tax levied by the
 13 Arkansas Gross Receipts Act of 1941, §§ 26-52-101 et seq.

14 (b) Except as provided in subsection (c), the gross receipts or gross
 15 proceeds derived from the sale of a new or used trailer or semi-trailer
 16 registered as a Class Nine vehicle under § 27-14-601(a)(3)(I)(i) is exempt
 17 from the Arkansas gross receipts tax levied by the Arkansas Gross Receipts
 18 Act of 1941, §§ 26-52-101 et seq.

19 (c) (1) The gross receipts derived from the sale of trailers
 20 registered under § 27-14-601(a)(3)(I)(i)(a)(1) shall continue to be subject
 21 to gross receipts tax and shall be paid as provided in § 26-52-510.

22 (2) The exemption from gross receipts tax provided in
 23 subsections (a) and (b) shall not apply to the gross receipts derived from
 24 the lease or rental of new or used motor vehicles, trailers or semi-trailers.

25
 26 SECTION 3. Arkansas Code § 26-52-401(33), pertaining to an exemption
 27 from gross receipts tax for truck rentals, is amended to read as follows:

28 (33) Gross receipts or gross proceeds derived from the long-term
 29 lease, thirty (30) days or more, of commercial trucks used for interstate
 30 transportation of goods if:

31 (i) ~~the~~ The trucks are registered under § 27-14-501 et seq.
 32 or

33 (ii) ~~the~~ The trucks are registered under an international
 34 registration plan similar to § 27-14-501 et seq. and the plan is administered
 35 by another state which offers reciprocal privileges for vehicles registered
 36 under § 27-14-501 et seq.;

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

SECTION 4. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the payment of sales or use tax on commercial trucks and semi-trailers constitutes a burden on the trucking industry; that the payment of sales or use tax on commercial trucks and semi-trailers places Arkansas trucking companies at a competitive disadvantage with trucking companies in other states; that many companies have registered trucks and trailers outside of Arkansas to avoid the payment of sales or use tax; that without a sales or use tax exemption, Arkansas trucking companies will relocate to other states; that the relocation of trucking companies would cause Arkansans to lose their jobs; that it is in the best interest of the State of Arkansas for trucking companies to continue to operate in Arkansas and to register trucks and trailers in Arkansas; that by exempting commercial trucks and semi-trailers from sales tax while imposing an additional registration fee would result in additional revenues and allow Arkansans to keep their jobs. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on the first day of the second calendar month following:

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

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

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

/s/ Gillespie, et al