

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: H1/24/03 H1/31/03 H2/7/03*

2 84th General Assembly

# A Bill

3 Regular Session, 2003

HOUSE BILL 1130

4

5 By: Representatives Gillespie, Stovall, Haak, Milligan, Napper, *Hathorn*

6 By: Senators Laverty, B. Johnson, Faris

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## 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.

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## Subtitle

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

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

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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 distributed as follows:

4 (i) During each fiscal year the first ten million  
5 eight hundred thousand dollars (\$10,800,000) shall be deposited by the  
6 Treasurer of State into the General Revenue Fund Account of the State  
7 Apportionment Fund;

8 (ii) Then during each fiscal year the next five  
9 hundred nine thousand dollars (\$509,000) shall be deposited to the State  
10 Central Services Fund for the benefit of the Revenue Division of the  
11 Department of Finance and Administration. The fee shall not be considered or  
12 credited to the division as direct revenues; and

13 (iii) Any remaining fees collected during a fiscal  
14 year after the deposits described in § 27-14-601(a)(7)(C)(i) and (ii) are  
15 made shall be deposited by the Treasurer of State as special highway revenues  
16 to be disbursed in the same manner and to be used for the same purposes as is  
17 set out in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.

18  
19 SECTION 2. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended  
20 to add an additional section to read as follows:

21 26-52-433. Commercial vehicles.

22 (a) The gross receipts or gross proceeds derived from the sale of a  
23 new or used motor vehicle registered as a Class Two, Class Three, Class Four,  
24 Class Five, Class Six, Class Seven, or Class Eight vehicle under § 27-14-  
25 601(a)(3) is exempt from the Arkansas gross receipts tax levied by the  
26 Arkansas Gross Receipts Act of 1941, §§ 26-52-101 et seq.

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

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

35 (2) The exemption from gross receipts tax provided in  
36 subsections (a) and (b) shall not apply to the gross receipts derived from

1 the lease or rental of new or used motor vehicles, trailers or semi-trailers.

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

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

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

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

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

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

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

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

1 bill; or

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

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5 */s/ Gillespie, et al*

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