

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 85th General Assembly  
3 Regular Session, 2005

# A Bill

HOUSE BILL 2935

4  
5 By: Representative Sumpter  
6  
7

## For An Act To Be Entitled

8  
9 AN ACT TO PROVIDE A SALES TAX EXEMPTION FOR THE  
10 PURCHASE OF QUALIFIED HYBRID VEHICLES; AND FOR  
11 OTHER PURPOSES.  
12

## Subtitle

13  
14 TO PROVIDE A SALES TAX EXEMPTION FOR THE  
15 PURCHASE OF QUALIFIED HYBRID VEHICLES.  
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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20 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended  
21 to add an additional section to read as follows:

22 26-52-438. Exemption for qualified hybrid vehicles.

23 (a) The gross receipts or gross proceeds derived from the sale of a  
24 new qualified hybrid vehicle registered and assessed in a county in Arkansas  
25 located within a metropolitan statistical area, as defined by the Office of  
26 Management and Budget as of January 1, 2005, are exempt from the taxes levied  
27 under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq. and all  
28 other state, county, and local sales and use taxes.

29 (b) As used in this section, "qualified hybrid vehicle" means a new  
30 vehicle that has the following characteristics:

31 (1) A hybrid gasoline or diesel engine and electric drive train;

32 (2) Regeneration braking;

33 (3) An energy storage device or battery capable of providing  
34 motion for the vehicle; and

35 (4) A miles per gallon rating from the United States  
36 Environmental Protection Agency that is at least twenty-five percent (25%)



1 higher than the miles per gallon rating designated for a comparable model  
2 that does not have hybrid characteristics.

3 (c) The Energy Office of the Department of Economic Development shall  
4 coordinate with the Revenue Division of the Department of Finance and  
5 Administration to promulgate rules for the administration of this sales tax  
6 exemption.

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8 SECTION 2. This act shall become effective on July 1, 2005, and shall  
9 expire on June 30, 2011.

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11 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
12 General Assembly of the State of Arkansas that there is a critical need to  
13 reduce air pollutants in the State of Arkansas; certain areas of this state  
14 are out of compliance with clean air quality standards; vehicles are  
15 available with technological advances that result in less air pollution and  
16 better mileage; and that this act is necessary to minimize the possibility  
17 that certain areas of this state are declared air quality non-attainment  
18 areas. Therefore, an emergency is declared to exist and this act being  
19 necessary for the preservation of the public peace, health, and safety shall  
20 become effective on July 1, 2005.