

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
4

As Engrossed: H3/24/05

A Bill

HOUSE BILL 2935

5 By: Representative Sumpter
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For An Act To Be Entitled

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

Subtitle

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 in a county in Arkansas that has been
25 designated by the United States Environmental Protection Agency as
26 noncompliant with air quality standards 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; that certain areas of this
14 state are out of compliance with clean air quality standards; that vehicles
15 are available with technological advances that result in less air pollution
16 and better mileage; and that this act is necessary to minimize the
17 possibility of noncompliance with the United States Environmental Protection
18 Agency air quality standards. Therefore, an emergency is declared to exist
19 and this act being necessary for the preservation of the public peace,
20 health, and safety shall become effective on July 1, 2005.

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22 /s/ Sumpter
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