

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 2972

4
5 By: Representative Pritchard
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For An Act To Be Entitled

9 AN ACT TO PROVIDE THAT UPON PAYMENT OF SALES OR
10 USE TAX ON HEAVY EQUIPMENT A DECAL SHALL BE
11 AFFIXED TO EACH PIECE OF HEAVY EQUIPMENT AS PROOF
12 THE TAX HAS BEEN PAID ON THE HEAVY EQUIPMENT; AND
13 FOR OTHER PURPOSES.
14

Subtitle

15 TO PROVIDE THAT UPON PAYMENT OF SALES OR
16 USE TAX ON HEAVY EQUIPMENT A DECAL SHALL
17 BE AFFIXED TO EACH PIECE OF HEAVY
18 EQUIPMENT AS PROOF THE TAX HAS BEEN PAID
19 ON THE HEAVY EQUIPMENT.
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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 Title 26, Chapter 52, Subchapter 3 is amended
26 to add an additional section to read as follows:

27 26-52-317. Heavy equipment.

28 (a) As used in this section, "heavy equipment" means fork lifts,
29 hydraulic cranes, trenchers, loader backhoes, excavators, bulldozers, motor
30 graders, crawler tractors and loaders, skid-steer loaders, scrapers, earth
31 movers, compaction equipment, asphalt lay-down machines, demolition
32 equipment, concrete pavers, four wheel drive loaders, rock drills, portable
33 air compressors, or any other equipment determined by the Director of the
34 Department of Finance and Administration to be heavy equipment.

35 (b) The gross receipts tax levied under the Arkansas Gross Receipts
36 Act of 1941, § 26-52-101 et seq., on the sale of new or used heavy equipment



1 shall be collected, reported, and remitted by the heavy equipment dealer.

2 (c) The heavy equipment dealer shall affix a decal to each piece of
3 heavy equipment sold as proof that:

4 (1) Sales tax has been paid on the heavy equipment; or

5 (2) The heavy equipment is exempt from sales tax.

6 (d)(1) The Director of the Department of Finance and Administration
7 shall develop the decals to be affixed to the heavy equipment.

8 (2) The director shall establish an amount not to exceed five
9 dollars (\$5.00) to be charged for each decal to defray the cost of providing
10 the decals to the seller.

11 (3) The seller shall purchase the decals from the director and
12 may collect the cost of the decal from the purchaser.

13 (e)(1) A heavy equipment dealer who sells used heavy equipment shall
14 remove the old decal from the used equipment before it is resold and a new
15 decal is affixed.

16 (2) If the heavy equipment dealer fails to remove the old decal
17 the director shall assess the following penalties:

18 (A) One hundred dollars (\$100) for the first offense;

19 (B) Two hundred dollars (\$200) for the second offense; and

20 (C) Five hundred dollars (\$500) for the third and
21 subsequent offenses.

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

25 26-53-145. Heavy equipment.

26 (a) Every person purchasing heavy equipment as defined in § 26-52-317
27 for storage or use within this state from a dealer located outside of this
28 state and does not pay tax to the out of state dealer shall be liable for the
29 use tax imposed by this chapter.

30 (b) The purchaser shall pay the use tax to the Director of the
31 Department of Finance and Administration and receive a decal under § 26-52-
32 317 to affix to each piece of heavy equipment purchased.

33 (c) If the purchaser pays the use tax to an out of state dealer, the
34 purchaser shall present proof to the director that the Arkansas tax has been
35 paid and purchase a decal from the director to affix to each piece of heavy
36 equipment.

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SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the payment of sales and use tax is required on the purchase of new or used heavy equipment; that Arkansas law provides that heavy equipment used in some types of professions or businesses is exempt from tax; that enforcement of the sales and use tax laws on heavy equipment is very difficult for the Department of Finance and Administration; that requiring a decal to be affixed to each piece of heavy equipment as proof that the tax has been paid or as proof that it is legally exempt would assist in the enforcement of the sales and use tax laws; and that this act would accomplish that purpose. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2005.