

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: S3/24/05

# A Bill

HOUSE BILL 2972

5 By: Representative Pritchard  
6  
7

## 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

16 TO PROVIDE THAT UPON PAYMENT OF SALES OR  
17 USE TAX ON HEAVY EQUIPMENT A DECAL SHALL  
18 BE AFFIXED TO EACH PIECE OF HEAVY  
19 EQUIPMENT AS PROOF THE TAX HAS BEEN PAID  
20 ON THE HEAVY EQUIPMENT.  
21  
22

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

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 rough terrain  
29 fork lifts, cranes, trenchers, loader backhoes, excavators, bulldozers, motor  
30 graders, crawler tractors and loaders, skid-steer loaders, scrapers, earth  
31 movers, compaction equipment, asphalt pavers, demolition equipment, concrete  
32 pavers, wheel loaders, rock drills, portable air compressors, cable plows,  
33 boring machines, 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) The Director of the Department of Finance and Administration shall  
7 develop the decals to be affixed to the heavy equipment.

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

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

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

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

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

17  
18 SECTION 2. Arkansas Code Title 26, Chapter 53, Subchapter 1 is amended  
19 to add an additional section to read as follows:

20 26-53-145. Heavy equipment.

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

25 (b) The purchaser shall pay the use tax to the Director of the  
26 Department of Finance and Administration and receive a decal under § 26-52-  
27 317 to affix to each piece of heavy equipment purchased.

28 (c) If the purchaser pays the use tax to an out of state dealer, the  
29 purchaser shall present proof to the director that the Arkansas tax has been  
30 paid and receive a decal from the director to affix to each piece of heavy  
31 equipment.

32  
33 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
34 General Assembly of the State of Arkansas that the payment of sales and use  
35 tax is required on the purchase of new or used heavy equipment; that Arkansas  
36 law provides that heavy equipment used in some types of professions or

1 businesses is exempt from tax; that enforcement of the sales and use tax laws  
2 on heavy equipment is very difficult for the Department of Finance and  
3 Administration; that requiring a decal to be affixed to each piece of heavy  
4 equipment as proof that the tax has been paid or as proof that it is legally  
5 exempt would assist in the enforcement of the sales and use tax laws; and  
6 that this act would accomplish that purpose. Therefore, an emergency is  
7 declared to exist and this act being necessary for the preservation of the  
8 public peace, health, and safety shall become effective on July 1, 2005.

9  
10 */s/ Pritchard*  
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