

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: H3/17/11 H3/23/11

A Bill

HOUSE BILL 2188

5 By: Representative L. Cowling
6

For An Act To Be Entitled

8 AN ACT TO EXEMPT FROM THE SALES AND USE TAX THE GROSS
9 RECEIPTS DERIVED FROM THE SALE OF CLASS SIX AND CLASS
10 SEVEN TRUCKS IF THE VEHICLE IS REGISTERED WITH THE
11 INTERNATIONAL REGISTRATION PLAN AND ENGAGED IN
12 INTERSTATE COMMERCE; TO EXEMPT FROM THE SALES AND USE
13 TAX THE GROSS RECEIPTS DERIVED FROM THE SALE OF ALL
14 SEMITRAILERS; TO TRANSFER FROM THE STATE HIGHWAY AND
15 TRANSPORTATION DEPARTMENT FUND TO GENERAL REVENUES
16 FOUR MILLION DOLLARS (\$4,000,000) EACH FISCAL YEAR TO
17 OFFSET THE GENERAL REVENUES LOST AS A RESULT OF THE
18 EXEMPTION; AND FOR OTHER PURPOSES.

Subtitle

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21 TO EXEMPT FROM THE SALES AND USE TAX THE
22 GROSS RECEIPTS DERIVED FROM THE SALE OF
23 CLASS SIX AND SEVEN TRUCKS AND
24 SEMITRAILERS; TO TRANSFER FUNDS FROM THE
25 STATE HIGHWAY AND TRANSPORTATION
26 DEPARTMENT FUND TO OFFSET THE LOSS.
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30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

31
32 SECTION 1. Arkansas Code § 26-52-436 is amended to read as follows:
33 26-52-436. Certain classes of trucks or trailers.

34 (a) As used in this section:

35 (1) "Person" means a natural person who resided in this state at
36 the time of purchasing a truck tractor or semitrailer in this state;



1 (2) "Semitrailer" means every vehicle with or without motive
2 power, including a pole trailer, drawn by a truck tractor or a Class Six or
3 Class Seven truck as defined by § 27-14-601(a)(3)(F) and (G) that is
4 registered with the International Registration Plan to be engaged in
5 interstate commerce and designed for carrying property; and

6 (3)(A) "Truck tractor" means a motor vehicle:

7 ~~(A)(i)~~ Designed and used primarily for drawing other
8 vehicles and not so constructed as to carry a load other than a part of the
9 weight of the vehicle and load so drawn; and

10 ~~(B)(ii)~~ Registered as a:

11 ~~(a)~~ Class Five, ~~Class Six, Class Seven,~~ or
12 Class Eight truck as defined by § 27-14-601(a)(3); or

13 ~~(b)~~ Class Six or Class Seven truck as defined
14 by § 27-14-601(a)(3)(F) and (G) that is not registered with the International
15 Registration Plan to be engaged in interstate commerce.

16 ~~(B)~~ "Truck tractor" does not include a Class Six or Class
17 Seven truck as defined by § 27-14-601(a)(3)(F) and (G) that is registered
18 with the International Registration Plan to be engaged in interstate
19 commerce.

20 (b) Except as provided in ~~subsection~~ subsections (d) and (e) of this
21 section, the gross receipts or gross proceeds in excess of nine thousand one
22 hundred fifty dollars (\$9,150) derived from the sale of a new or used truck
23 tractor in this state are exempt from the Arkansas gross receipts tax levied
24 by this chapter.

25 ~~(c) Except as provided in subsection (d) of this section, the~~ The
26 gross receipts or gross proceeds in excess of one thousand dollars (\$1,000)
27 derived from the sale of a new or used semitrailer in this state are exempt
28 from the Arkansas gross receipts tax levied by this chapter.

29 ~~(d)~~ The gross receipts or gross proceeds derived from the sale in this
30 state of a new or used Class Six or Class Seven truck as defined by § 27-14-
31 601(a)(3)(F) and (G) that is registered with the International Registration
32 Plan to be engaged in interstate commerce are exempt from the Arkansas gross
33 receipts tax levied by this chapter.

34 ~~(d)(e)~~ The exemption in this section under subsection (b) of this
35 section does not apply to gross receipts taxes levied by any Arkansas city,
36 town, or county.

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SECTION 2. Arkansas Code § 26-53-144 is amended to read as follows:
26-53-144. Certain classes of trucks or trailers.

(a) As used in this section:

(1) "Person" means a natural person who resided in this state at the time of purchasing a truck tractor or semitrailer in another state;

(2) "Semitrailer" means every vehicle with or without motive power, including a pole trailer, drawn by a truck tractor or a Class Six or Class Seven truck as defined by § 27-14-601(a)(3)(F) and (G) that is registered with the International Registration Plan to be engaged in interstate commerce and designed for carrying property; and

(3)~~(A)~~ "Truck tractor" means a motor vehicle:

~~(A)(i)~~ Designed and used primarily for drawing other vehicles and not so constructed as to carry a load other than a part of the weight of the vehicle and load so drawn; and

~~(B)(ii)~~ Registered as a:

~~(a)~~ Class Five, ~~Class Six, Class Seven,~~ or Class Eight truck as defined by § 27-14-601(a)(3); or

~~(b)~~ Class Six or Class Seven truck as defined by § 27-14-601(a)(3)(F) and (G) that is not registered with the International Registration Plan to be engaged in interstate commerce.

~~(B)~~ "Truck tractor" does not include a Class Six or Class Seven truck as defined by § 27-14-601(a)(3)(F) and (G) that is registered with the International Registration Plan to be engaged in interstate commerce.

(b) Except as provided in ~~subsection~~ subsections (d) and (e) of this section, the gross receipts or gross proceeds in excess of nine thousand one hundred fifty dollars (\$9,150) derived from the sale of a new or used truck tractor in another state for use in this state are exempt from the Arkansas compensating use tax levied by this subchapter.

~~(c) Except as provided in subsection (d) of this section, the~~ The gross receipts or gross proceeds ~~in excess of one thousand dollars (\$1,000)~~ derived from the sale of a new or used semitrailer in another state for use in this state are exempt from the Arkansas compensating use tax levied by this subchapter.

(d) The gross receipts or gross proceeds derived from the sale in

1 another state for use in this state of a new or used Class Six or Class Seven
 2 truck as defined by § 27-14-601(a)(3)(F) and (G) that is registered with the
 3 International Registration Plan to be engaged in interstate commerce are
 4 exempt from the Arkansas compensating use tax levied by this chapter.

5 ~~(d)~~(e) The exemption in this section under subsection (b) of this
 6 section does not apply to compensating use taxes levied by any Arkansas city,
 7 town, or county.

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 9 SECTION 3. Arkansas Code § 19-6-405 is amended to read as follows:
 10 19-6-405. State Highway and Transportation Department Fund.

11 (a) The State Highway and Transportation Department Fund shall consist
 12 of:

13 (1) That part of the special revenues as specified in § 19-6-
 14 301(2)-(4), (22), (81), (105)-(107), and (182), known as "highway revenue",
 15 as distributed under the Arkansas Highway Revenue Distribution Law, § 27-70-
 16 201 et seq., and § 27-70-103 and § 27-72-301 et seq.;

17 (2) Those special revenues specified in § 19-6-301(10), (152),
 18 (187), (239), and (241);

19 (3) Fifty percent (50%) of § 19-6-301(26);

20 (4) That portion of § 19-6-301(2) as set out in § 27-14-
 21 601(a)(3)(H)(ii)(f);

22 (5) That portion of § 19-6-301(222);

23 (6) Those designated revenues as set out in § 26-56-201(e)(1),
 24 which consist of the additional total of four cents (4¢) distillate special
 25 fuel taxes to be distributed as provided in the Arkansas Highway Financing
 26 Act of 1999, § 27-64-201 et seq.;

27 (7) Federal revenue sharing funds as set out in § 19-5-1005; and

28 (8) Any federal funds which may become available,
 29 there to be used for the maintenance, operation, and improvement required by
 30 the Arkansas State Highway and Transportation Department in carrying out the
 31 functions, powers, and duties as set out in Arkansas Constitution, Amendment
 32 42, and §§ 27-65-102 – 27-65-107, 27-65-110, 27-65-122, and 27-65-124, and
 33 the other laws of this state prescribing the powers and duties of the
 34 department and the State Highway Commission.

35 (b) In order to offset the general revenues lost by the tax exemption
 36 contained in §§ 26-52-436(c) and (d) and 26-53-144 (c) and (d), the Chief

1 Fiscal Officer of the State, on or before June 30, 2013, and on or before
2 June 30 of each fiscal year thereafter, shall transfer four million dollars
3 (\$4,000,000) from the State Highway and Transportation Department Fund, to be
4 distributed as follows:

5 (1) Seventy-five percent (75%) to be deposited into the General
6 Revenue Fund Account of the State Apportionment Fund, § 19-5-202;

7 (2) Fourteen and six-tenths percent (14.6%) to be deposited into
8 the Educational Adequacy Fund, § 19-5-1227;

9 (3) Eight and three-tenths percent (8.3%) to be deposited into
10 the Property Tax Relief Trust Fund, § 19-5-1103; and

11 (4) Two and one-tenth percent (2.1%) to be deposited into the
12 Conservation Tax Fund, § 19-6-484.

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14 SECTION 4. EFFECTIVE DATE. This act becomes effective on July 1,
15 2012.

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17 /s/L. Cowling
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