

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

# A Bill

SENATE BILL 688

5 By: Senator Teague  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE TAX APPLICABLE TO LONG-TERM  
9 RENTALS OF VEHICLES; TO REQUIRE THAT THE LONG-TERM  
10 RENTAL VEHICLE TAX BE PAID ON EACH RENTAL; TO LOWER  
11 THE THRESHOLD FOR THE EXPIRATION OF THE LONG-TERM  
12 RENTAL VEHICLE TAX; AND FOR OTHER PURPOSES.  
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## Subtitle

15 TO AMEND THE TAX APPLICABLE TO LONG-TERM  
16 RENTALS OF VEHICLES; TO REQUIRE THAT THE  
17 LONG-TERM RENTAL VEHICLE TAX BE PAID ON  
18 EACH RENTAL; AND TO LOWER THE THRESHOLD  
19 FOR THE EXPIRATION OF THE LONG-TERM  
20 RENTAL VEHICLE TAX.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 26-63-304(a) and (b), concerning the long-  
27 term rental vehicle tax, are amended to read as follows:

28 (a)(1) In addition to the gross receipts tax levied by the Arkansas  
29 Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax  
30 levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,  
31 there is levied a long-term rental vehicle tax at the rate of one and five-  
32 tenths percent (1.5%) on the gross receipts or gross proceeds derived from a  
33 rental of a motor vehicle required to be licensed and that is leased for a  
34 period of thirty (30) days or more.

35 (2) The gross receipts or gross proceeds derived from the rental  
36 described in subdivision (a)(1) of this section ~~is~~ are taxable ~~only if~~



1 regardless of whether the gross receipts tax levied by the Arkansas Gross  
2 Receipts Act of 1941, § 26-52-101 et seq., or the compensating use tax levied  
3 by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., was ~~not~~  
4 paid at the time of registration.

5 (b) If the Chief Fiscal Officer of the State certifies that ~~ten~~  
6 ~~percent (10%)~~ three percent (3%) or more of all new motor vehicles registered  
7 in Arkansas during a calendar year are leased vehicles based on information  
8 and statistics from a reliable source, such as R.L. Polk & Co., then the  
9 long-term rental vehicle tax shall expire on June 30 of the fiscal year  
10 following the calendar year for which the certification is made.

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12 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the  
13 first day of the calendar quarter following the effective date of this act.  
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