

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

SENATE BILL 566

5 By: Senator J. Bryant
6 By: Representative McCollum
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE SALES TAX
10 APPLICABLE TO SALES OF CUSTOM MANUFACTURED HOMES,
11 MODULAR HOMES, AND MOBILE HOMES; TO AMEND THE LAW
12 CONCERNING THE SALES TAX APPLICABLE TO SALES OF PARK
13 MODEL UNITS; TO DECLARE AN EMERGENCY; AND FOR OTHER
14 PURPOSES.
15

Subtitle

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18 TO AMEND THE LAW CONCERNING THE SALES TAX
19 APPLICABLE TO SALES OF PARK MODEL UNITS;
20 AND TO DECLARE AN EMERGENCY.
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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 § 26-52-514(a), concerning the method of
26 determining the total consideration for the sale of a vehicle, is amended to
27 read as follows:

28 (a) The Secretary of the Department of Finance and Administration is
29 authorized to adopt an alternative method for determining the total
30 consideration for the sale of new or used:

31 (1) Manufactured homes, mobile homes, ~~or~~ modular homes, or park
32 model units under § 26-52-801 et seq.;

33 (2) Aircraft under § 26-52-505; and

34 (3) Motor vehicles, trailers, or semitrailers under §§ 26-52-510
35 and 26-53-126.
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1 SECTION 2. Arkansas Code Title 26, Chapter 52, Subchapter 8 is amended
2 to read as follows:

3 Subchapter 8 – Custom Manufactured Homes

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5 26-52-801. Definitions.

6 As used in this subchapter:

7 (1) “Acquisition price” means the purchase price of the new
8 manufactured home, ~~or modular home, or park model unit~~ to be paid by the
9 purchaser as set forth on the actual invoice or bill of sale, excluding
10 transportation and delivery fees, installation fees, and other items or
11 services that are to be included as part of the final sale of the new
12 manufactured home, ~~or modular home, or park model unit~~ by the retailer before
13 the consideration of a trade-in allowance or down payment paid in cash or
14 otherwise;

15 (2) “Manufactured home” means a factory-built structure produced
16 in accordance with the National Manufactured Housing Construction and Safety
17 Standards Act of 1974, 42 U.S.C. § 5401 et seq., and designed to be used as a
18 dwelling unit;

19 (3) “Mobile home” means a structure built in a factory prior to
20 the enactment of the National Manufactured Housing Construction and Safety
21 Standards Act of 1974, 42 U.S.C. § 5401 et seq., and designed to be used as a
22 dwelling unit; ~~and~~

23 (4) “Modular home” means a factory-built structure produced in
24 accordance to state or local construction codes and standards and designed to
25 be used as a dwelling unit; and

26 (5) “Park model unit” means a factory-built unit produced in
27 compliance with the American National Standards Institute All9.5 Park Model
28 RV Standard, as it existed on January 1, 2020, or more stringent standards,
29 and designed for occupancy when installed and anchored in accordance with the
30 manufacturer’s instructions with the elements of transportation removed.

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32 26-52-802. Sale of manufactured homes, modular homes, park model units,
33 or mobile homes.

34 (a) Whether from an established business or by a licensed retailer,
35 every person selling manufactured homes, ~~or modular homes, or park model~~
36 units in this state shall obtain a permit and report and remit to the

1 Secretary of the Department of Finance and Administration as provided in this
2 chapter, together with:

3 (1) Copies of invoices, sales, tickets, or bills of sale
4 reflecting the dates of all sales of the new manufactured homes, ~~or~~ modular
5 homes, or park model units;

6 (2) The purchaser's name and address;

7 (3) The make, year, model, serial number, and acquisition price
8 of each manufactured home, ~~or~~ modular home, or park model unit; and

9 (4) If applicable, the amount of tax collected from the
10 purchaser.

11 (b) Upon the initial sale of a new manufactured home, ~~or~~ modular home,
12 or park model unit, the tax levied by this chapter shall be collected on
13 sixty-two percent (62%) of the acquisition price of the new manufactured
14 home, ~~or~~ modular home, or park model unit.

15 (c) No tax shall be due on the sale of a mobile home or on a
16 subsequent sale of a manufactured home, ~~or~~ modular home, or park model unit,
17 including any tax levied by this chapter or any other gross receipts tax
18 levied by the state.

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20 26-52-803. Enforcement.

21 (a) Any permittee who fraudulently attempts to evade any provision of
22 this section or of this chapter shall be subject to having his or her permit
23 revoked after notice and hearing provided in § 26-52-209.

24 (b)(1) Upon payment of all applicable registration and title fees, any
25 manufactured home retailer licensed pursuant to § 27-14-601(a)(6) that makes
26 a subsequent purchase of a manufactured home or park model unit for which the
27 seller does not have a certificate of title may register the manufactured
28 home or park model unit for the sole purpose of obtaining a certificate of
29 title.

30 (2) No license plate or decal shall be provided with the
31 registration.

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33 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
34 General Assembly of the State of Arkansas that the Department of Finance and
35 Administration has recently changed its interpretation of the tax status of
36 park model units from considering them to be manufactured homes to

1 considering them to be recreational vehicles; that the department's new
2 interpretation has created confusion among sellers that have been collecting
3 and remitting the gross receipts tax on park model units as manufactured
4 homes for years, has created an additional tax liability for purchasers of
5 park model units, has delayed the issuance of titles required by banks and
6 lenders for lien perfection purposes, and has created another legislative
7 inequity in factory-built structures; and that this act is immediately
8 necessary because it would correct the unexpected reversal in the
9 department's interpretation and eliminate the inequity in the tax treatment
10 of factory-built structures. Therefore, an emergency is declared to exist,
11 and this act being immediately necessary for the preservation of the public
12 peace, health, and safety shall become effective on:

- 13 (1) The date of its approval by the Governor;
- 14 (2) If the bill is neither approved nor vetoed by the Governor,
15 the expiration of the period of time during which the Governor may veto the
16 bill; or
- 17 (3) If the bill is vetoed by the Governor and the veto is
18 overridden, the date the last house overrides the veto.

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