

State of Arkansas

As Engrossed: S4/1/25

95th General Assembly

A Bill

Regular Session, 2025

SENATE BILL 82

By: Senators J. Payton, J. Boyd, Dees, J. Dotson, Flipppo, Hill, B. Johnson, M. Johnson, G. Leding, F. Love, M. McKee, C. Penzo, J. Petty, Rice, Stone, G. Stubblefield, D. Sullivan, C. Tucker

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE SALES AND USE
TAX APPLICABLE TO PURCHASES OF NEW OR USED MOTOR
VEHICLES, TRAILERS, AND SEMITRAILERS; TO INCREASE THE
SALES AND USE TAX EXEMPTION FOR USED MOTOR VEHICLES;
TO AMEND THE REDUCED SALES AND USE TAX RATE
APPLICABLE TO PURCHASES OF USED MOTOR VEHICLES; AND
FOR OTHER PURPOSES.

Subtitle

TO INCREASE THE SALES AND USE TAX
EXEMPTION FOR USED MOTOR VEHICLES; AND
TO AMEND THE REDUCED SALES AND USE TAX
RATE APPLICABLE TO PURCHASES OF USED
MOTOR VEHICLES.

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

SECTION 1. DO NOT CODIFY. Legislative findings.

The General Assembly finds that:

(1) Because Arkansas is a rural state, having reliable personal transportation is essential for Arkansans to maintain employment, access medical care, and obtain groceries and other daily necessities;

(2) Many working Arkansans have limited income and need affordable personal transportation, which is impeded by the added expense of sales and use tax on motor vehicles;

(3) The majority of motor vehicles that are sold for fifteen



thousand dollars (\$15,000) or less are used motor vehicles, which means that sales or use tax has been collected previously on those motor vehicles at least one (1) time and often multiple times for motor vehicles that have been sold several times; and

(4) Arkansans who can afford only a motor vehicle valued at fifteen thousand dollars (\$15,000) or less often have to trade motor vehicles more often than those who can afford more expensive motor vehicles, which results in these Arkansans continually having to pay sales or use tax on motor vehicle purchases even though they have the least ability to afford the repeated payment of those taxes.

SECTION 2. Arkansas Code § 26-52-324(a), concerning the special tax rate for certain used motor vehicles, trailers, and semitrailers, is amended to read as follows:

(a) In lieu of the gross receipts or gross proceeds taxes levied under §§ 26-52-301 and 26-52-302, there is levied an excise tax on the gross receipts or gross proceeds derived from the sale of ~~a used motor vehicle, trailer, or semitrailer that has a sales price of at least four thousand dollars (\$4,000) but less than ten thousand dollars (\$10,000)~~ the following at the rate of two and eight hundred seventy-five thousandths percent (2.875%):

(1) A used motor vehicle that has a sales price of at least ten thousand dollars (\$10,000) but less than fifteen thousand dollars (\$15,000); and

(2) A used trailer or semitrailer that has a sales price of at least four thousand dollars (\$4,000) but less than ten thousand dollars (\$10,000).

SECTION 3. Arkansas Code § 26-52-324, concerning the special tax rate for certain used motor vehicles, trailers, and semitrailers, is amended to add an additional subsection to read as follows:

(f) This section does not affect the exemptions provided under § 26-52-436.

SECTION 4. Arkansas Code § 26-52-510(b)(1)(B), concerning the direct payment of sales tax by consumer-users on new and used motor vehicles,

trailers, or semitrailers, is amended to read as follows:

(B)(i)(a) If the total consideration for the sale of the new ~~or used~~ motor vehicle, or the new or used trailer, or semitrailer is less than four thousand dollars (\$4,000), no tax is due.

(b) If the total consideration for the sale of the used motor vehicle is less than ten thousand dollars (\$10,000), no tax is due.

(c) If the total consideration for the sale of a new motor vehicle, trailer, or semitrailer is four thousand dollars (\$4,000) or more, the full gross receipts tax rate levied under this chapter shall be levied and collected.

(ii) If the total consideration for the sale of a used ~~motor vehicle~~, trailer, or semitrailer is at least four thousand dollars (\$4,000) but less than ten thousand dollars (\$10,000), the gross receipts tax due shall be determined under § 26-52-324.

(iii) If the total consideration for the sale of a used ~~motor vehicle~~, trailer, or semitrailer is ten thousand dollars (\$10,000) or more+,

~~(a) The exemption under subdivision (b)(1)(B)(i)(a) of this section does not apply;~~

~~(b) The special tax rate provided in § 26-52-324 does not apply; and~~

~~(c) The the full gross receipts tax rate levied under this chapter shall be levied and collected.~~

(iv) If the total consideration for the sale of the used motor vehicle is at least ten thousand dollars (\$10,000) but less than fifteen thousand dollars (\$15,000), the gross receipts tax due shall be determined under § 26-52-324.

(v) If the total consideration for the sale of the used motor vehicle is fifteen thousand dollars (\$15,000) or more, the full gross receipts tax rate levied under this chapter shall be levied and collected.

(vi) This subdivision (b)(1)(B) does not affect the exemptions provided under § 26-52-436.

SECTION 5. Arkansas Code § 26-53-126(b)(2), concerning the

1 compensating use tax on new and used motor vehicles, trailers, or
2 semitrailers, is amended to read as follows:

3 (2)(A)(i) If the total consideration for the sale of the new ~~or~~
4 ~~used~~ motor vehicle, or the new or used trailer, or semitrailer is less than
5 four thousand dollars (\$4,000), no tax is due.

6 (ii) If the total consideration for the sale of the
7 used motor vehicle is less than ten thousand dollars (\$10,000), no tax is
8 due.

9 (iii) If the total consideration for the sale of a
10 new motor vehicle, trailer, or semitrailer is four thousand dollars (\$4,000)
11 or more, the full compensating use tax rate levied under this chapter shall
12 be levied and collected.

13 (B) If the total consideration for the sale of a used
14 ~~motor vehicle~~, trailer, or semitrailer is at least four thousand dollars
15 (\$4,000) but less than ten thousand dollars (\$10,000), the compensating use
16 tax due shall be determined under § 26-53-150.

17 (C) If the total consideration for the sale of a used
18 ~~motor vehicle~~, trailer, or semitrailer is ten thousand dollars (\$10,000) or
19 ~~more,~~

20 ~~(i) The exemption under subdivision (b)(2)(A)(i) of~~
21 ~~this section does not apply;~~

22 ~~(ii) The special tax rate provided in § 26-53-150~~
23 ~~does not apply; and~~

24 ~~(iii) The~~ the full compensating use tax rate levied
25 under this chapter shall be levied and collected.

26 (D) If the total consideration for the sale of the used
27 motor vehicle is at least ten thousand dollars (\$10,000) but less than
28 fifteen thousand dollars (\$15,000), the compensating use tax due shall be
29 determined under § 26-53-150.

30 (E) If the total consideration for the sale of the used
31 motor vehicle is fifteen thousand dollars (\$15,000) or more, the full
32 compensating use tax rate levied under this chapter shall be levied and
33 collected.

34 (F) This subdivision (b)(2) does not affect the exemptions
35 provided under § 26-53-144.

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1 SECTION 6. Arkansas Code § 26-53-150(a)(1), concerning the special tax
2 rate for certain used motor vehicles, trailers, and semitrailers, is amended
3 to read as follows:

4 (a)(1) In lieu of the compensating use taxes levied under §§ 26-53-106
5 and 26-53-107, there is levied an excise tax for the privilege of storing,
6 using, distributing, or consuming a used motor vehicle, trailer, or
7 semitrailer within this state if the sales price ~~of the used motor vehicle,~~
8 ~~trailer, or semitrailer~~ is:

9 (A) For a used motor vehicle, at least ten thousand
10 dollars (\$10,000) but less than fifteen thousand dollars (\$15,000); and

11 (B) For a used trailer or semitrailer, at least four
12 thousand dollars (\$4,000) but less than ten thousand dollars (\$10,000).
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14 SECTION 7. Arkansas Code § 26-53-150, concerning the special tax rate
15 for certain used motor vehicles, trailers, and semitrailers, is amended to
16 add an additional subsection to read as follows:

17 (f) This section does not affect the exemptions provided under § 26-
18 53-144.
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20 SECTION 8. EFFECTIVE DATE. Sections 2-7 of this act are effective on
21 the first day of the calendar quarter following the effective date of this
22 act.
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24 */s/J. Payton*
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