

Stricken language would be deleted from and underlined language would be added to present law.  
Act 146 of the Regular Session

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

As Engrossed: S2/9/21  
**A Bill**

HOUSE BILL 1042

By: Representative Jett  
By: Senator M. Johnson

**For An Act To Be Entitled**

AN ACT TO REPEAL THE ARKANSAS SPECIAL EXCISE TAX  
LEVIED ON LONG-TERM RENTAL VEHICLES; AND FOR OTHER  
PURPOSES.

**Subtitle**

TO REPEAL THE LONG-TERM RENTAL VEHICLE  
TAX.

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

SECTION 1. Arkansas Code § 26-63-304 is repealed.

~~26-63-304. Long-term rental vehicle tax.~~

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

~~(2) The gross receipts or gross proceeds derived from the rental described in subdivision (a)(1) of this section are taxable regardless of whether the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., was paid at the time of registration.~~

~~(b) If the Chief Fiscal Officer of the State certifies that three~~



~~percent (3%) or more of all new motor vehicles registered in Arkansas during a calendar year are leased vehicles based on information and statistics from a reliable source, such as R.L. Polk & Co., then the long term rental vehicle tax shall expire on June 30 of the fiscal year following the calendar year for which the certification is made.~~

~~(c) The long term rental vehicle tax shall be remitted to the Secretary of the Department of Finance and Administration and shall be deposited into the State Treasury as general revenues.~~

~~(d) The long term rental vehicle tax does not apply to:~~

~~(1) A diesel truck rented or leased for commercial shipping;~~

~~(2) Farm machinery or farm equipment rented or leased for a commercial purpose; or~~

~~(3) A gasoline powered or diesel powered truck rented or leased for residential moving or shipping.~~

SECTION 2. Arkansas Code § 19-6-201(36), concerning the enumeration of general revenues, is repealed.

~~(36) Long term rental vehicle tax, § 26-63-304;~~

*/s/Jett*

**APPROVED: 2/24/21**