

State of Arkansas
84th General Assembly
Regular Session, 2003

A Bill

HOUSE BILL 1030

By: Representatives House, Agee, Bolin, Biggs, Borhauer, Clemons, Cowling, Dickinson, Eason, Fite, Green, Hutchinson, Jackson, Jones, Mack, Mathis, Ormond, L. Prater, Rankin, Seawel, Sullivan, Thomas, J. Wood
By: Senators Holt, Whitaker, Womack

For An Act To Be Entitled

AN ACT TO EXEMPT FROM THE STATE SALES AND USE TAX
THE GROSS RECEIPTS IN EXCESS OF ONE THOUSAND
DOLLARS (\$1000) DERIVED FROM THE SALE OF A TRUCK
TRACTOR AND IN EXCESS OF FIVE HUNDRED DOLLARS
(\$500) DERIVED FROM THE SALE OF A SEMITRAILER;
AND FOR OTHER PURPOSES.

Subtitle

TO EXEMPT FROM THE STATE SALES AND USE
TAX THE GROSS RECEIPTS IN EXCESS OF ONE
THOUSAND DOLLARS (\$1000) DERIVED FROM
THE SALE OF A TRUCK TRACTOR AND IN
EXCESS OF FIVE HUNDRED DOLLARS (\$500)
DERIVED FROM THE SALE OF A SEMITRAILER.

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

SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4 is amended
to add an additional section to read as follows:

26-52-433. Certain classes of trucks or trailers.

(a) For the purpose of this section:

(1) "Legal entity" means a legal entity recognized by the laws
of this state that owned, leased, or rented a physical structure within this
state at the time of purchasing a truck tractor or semitrailer in this state;



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

3 (3) "Reside" means to be physically present and to maintain a
 4 permanent place of business in the State of Arkansas;

5 (4) "Semitrailer" means every vehicle with or without motive
 6 power, including a pole trailer, drawn by a truck tractor and designed for
 7 carrying property; and

8 (5) "Truck tractor" means a motor vehicle:

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

12 (B) Registered as a Class Four, Class Five, Class Six,
 13 Class Seven, or Class Eight truck, as defined by § 27-14-601(a)(3).

14 (b) Except as provided in subsection (d), the gross receipts or gross
 15 proceeds in excess of one thousand dollars (\$1,000) derived from the sale of
 16 a new or used truck tractor in this state are exempt from the Arkansas gross
 17 receipts tax levied by the Arkansas Gross Receipts Act of 1941, as amended,
 18 §§ 26-52-101 through 26-52-1006.

19 (c) Except as provided in subsection (d) the gross receipts or gross
 20 proceeds in excess of five hundred dollars (\$500) derived from the sale of a
 21 new or used semitrailer in this state are exempt from the Arkansas gross
 22 receipts tax levied by the Arkansas Gross Receipts Act of 1941, as amended,
 23 §§ 26-52-101 through 26-52-1006.

24 (d) The exemption in this section does not apply to gross receipts
 25 taxes levied by any Arkansas city, town, or county.

26 (e) After the effective date of this section, the State of Arkansas
 27 shall not assess or collect gross receipts tax, interest, or penalties from a
 28 person or legal entity that would otherwise be due on the purchase of a new
 29 or used truck tractor or semitrailer in this state between January 1, 1995,
 30 and the effective date of this section if the person or entity licensed or
 31 registered the truck tractor or semitrailer in another state using a third
 32 party agent or any other method.

33
 34 SECTION 2. Arkansas Code Title 26, Chapter 53, Subchapter 1 is amended
 35 to add an additional section to read as follows:

36 (a) For the purpose of this section:

1 26-53-141. Certain classes of trucks or trailers.

2 (1) "Legal entity" means a legal entity recognized by the laws
3 of this state that owned, leased, or rented a physical structure within this
4 state at the time of purchasing a truck tractor or semitrailer in another
5 state;

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

8 (3) "Reside" means to be physically present and to maintain a
9 permanent place of business in the State of Arkansas;

10 (4) "Semitrailer" means every vehicle with or without motive
11 power, including a pole trailer, drawn by a truck tractor and designed for
12 carrying property; and

13 (5) "Truck tractor" means a motor vehicle:

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

17 (B) Registered as a Class Four, Class Five, Class Six,
18 Class Seven, or Class Eight truck, as defined by § 27-14-601(a)(3).

19 (b) Except as provided in subsection (d), the gross receipts or gross
20 proceeds in excess of one thousand dollars (\$1,000) derived from the sale of
21 a new or used truck tractor in another state for use in this state are exempt
22 from the Arkansas compensating use tax levied by the Arkansas Compensating
23 Tax Act of 1949, §§ 26-53-101 et seq.

24 (c) Except as provided in subsection (d), the gross receipts or gross
25 proceeds in excess of five hundred dollars (\$500) derived from the sale of a
26 new or used semitrailer in another state for use in this state are exempt
27 from the Arkansas compensating use tax levied by the Arkansas Compensating
28 Tax Act of 1949, §§ 26-53-101 et seq.

29 (d) The exemption in this section does not apply to compensating use
30 taxes levied by any Arkansas city, town, or county.

31 (e) After the effective date of this section, the State of Arkansas
32 shall not assess or collect compensating use tax, interest, or penalties from
33 a person or legal entity that would otherwise be due on the purchase of a new
34 or used truck tractor or semitrailer in another state between January 1,
35 1995, and the effective date of this section if the person or entity licensed
36 or registered the truck tractor or semitrailer in another state using a third

1 party agent or any other method, and used the truck tractors or semitrailers
2 in this state.

3
4 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
5 General Assembly of the State of Arkansas that a recent Oklahoma federal
6 court decision drastically affected the Arkansas trucking industry by
7 preventing Arkansas trucking companies, partnerships, and independent
8 operators from using third party registration agents in Oklahoma to register
9 their equipment; that the Arkansas Department of Finance and Administration
10 has indicated its intent to collect gross receipts and compensating use tax
11 on trucking equipment purchased for at least the past three (3) years by
12 Arkansas trucking businesses that used third party registration agents in
13 Oklahoma to register their equipment; the collection of gross receipts or
14 compensating use tax on trucking equipment purchased for the past three (3)
15 years or longer will have a devastating effect on the trucking industry in
16 Arkansas, including forcing trucking businesses out of business, into
17 bankruptcy, or to relocate outside of Arkansas; that the future collection of
18 gross receipts and compensating use tax on the total sale price of trucking
19 equipment registered in Arkansas will have a similar chilling effect on the
20 trucking industry in the State of Arkansas; that this act is immediately
21 necessary to prevent the severe and sudden economic hardships on the trucking
22 industry in Arkansas because it provides amnesty for trucking businesses that
23 used third party registration agents in Oklahoma to register their equipment
24 from January 1, 1995, until the effective date of this act, and it limits the
25 amount of the sale that is taxable in the future to prevent severe and sudden
26 economic hardships on the trucking industry in Arkansas. Therefore, an
27 emergency is declared to exist and this act being immediately necessary for
28 the preservation of the public peace, health, and safety shall become
29 effective on:

30 (1) The date of its approval by the Governor;

31 (2) If the bill is neither approved nor vetoed by the Governor,
32 the expiration of the period of time during which the Governor may veto the
33 bill; or

34 (3) If the bill is vetoed by the Governor and the veto is
35 overridden, the date the last house overrides the veto.
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