

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

SENATE BILL 1027

By: Senator K. Ingram

For An Act To Be Entitled

AN ACT CONCERNING THE DISPOSITION OF SALES AND USE TAXES GENERATED FROM SALES OF MOTOR VEHICLES AND AUTO-RELATED SALES AND SERVICES; TO DEDICATE THE SALES AND USE TAX REVENUE GENERATED FROM SALES OF MOTOR VEHICLES AND AUTO-RELATED SALES AND SERVICES TO THE ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT WHEN CERTAIN CONDITIONS ARE MET; AND FOR OTHER PURPOSES.

Subtitle

TO DEDICATE THE SALES AND USE TAX REVENUE GENERATED FROM SALES OF MOTOR VEHICLES AND AUTO-RELATED SALES AND SERVICES TO THE ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT WHEN CERTAIN CONDITIONS ARE MET.

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

SECTION 1. Arkansas Code § 26-52-107 is amended to read as follows:
26-52-107. Disposition of taxes, interest, and penalties.

(a)(1) ~~All~~ Except as provided under subsection (b) of this section, ~~the~~ taxes, interest, penalties, and costs received by the Director of the Department of Finance and Administration under ~~the provisions of~~ this chapter shall be general revenues and shall be deposited into the State Treasury to the credit of the State Apportionment Fund.

(2) The Treasurer of State shall allocate and transfer the ~~same~~



general revenues deposited under this subsection to the various State Treasury funds participating in general revenues in the respective proportions to each as provided by, and to be used for the respective purposes ~~set forth~~ stated in, the Revenue Stabilization Law, § 19-5-101 et seq.

(b)(1) The director shall determine the following conditions:

(A) That federal law authorizes the state to collect sales and use tax from sellers that do not have a physical presence in the state; and

(B) That some or all of the sellers that do not have a physical presence in the state make sales of taxable goods and services to purchasers in the state.

(2) When the director determines that the conditions in subdivision (b)(1) of this section have been met, then each month thereafter:

(A) The Chief Fiscal Officer of the State shall certify to the Treasurer of State:

(i) The amount of available net general revenues attributable to the collection of sales and use tax from sellers that do not have a physical presence in the state; and

(ii) The total amount of the following:

(a) The available net general revenues derived from the sale of motor vehicles; and

(b) Six percent (6%) of the available net general revenues generated under §§ 26-52-301, 26-52-302(a), 26-52-302(b), 26-52-303, 26-52-317(c)(1)(A), 26-52-319(a)(4)(A), 26-53-106, 26-53-107(a), 26-53-107(b), 26-53-145(c)(1)(A), and 26-53-148(a)(4)(A), which reflects an amount attributable to auto-related sales and services; and

(B)(i) The Treasurer of State shall deposit into the State Highway and Transportation Department Fund the total amount of available net general revenues determined under subdivision (b)(2)(A)(ii) of this section.

(ii) However, the amount deposited under subdivision (b)(2)(B)(i) of this section shall not exceed the amount determined in subdivision (b)(2)(A)(i) of this section.

(3) As used in this subsection, "auto-related sales and services" means:

(A) All parts, including without limitation tires and

batteries placed on or used by a motor vehicle; and

(B) All labor, installation, maintenance, and diagnostic services, including without limitation repair services performed on a motor vehicle.