

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

# A Bill

HOUSE BILL 1632

By: Representative Bryant

## For An Act To Be Entitled

AN ACT TO AMEND THE TAX TREATMENT OF THE SALES OF MOTOR VEHICLES; TO REPEAL THE SALES AND USE TAX EXEMPTION FOR THE SALE OF A MOTOR VEHICLE TO A PERSON ENGAGED IN THE BUSINESS OF RENTING MOTOR VEHICLES; AND FOR OTHER PURPOSES.

## Subtitle

TO REPEAL THE SALES AND USE TAX EXEMPTION FOR THE SALE OF A MOTOR VEHICLE TO A PERSON ENGAGED IN THE BUSINESS OF RENTING MOTOR VEHICLES.

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

SECTION 1. Arkansas Code § 26-63-302(a)(2), concerning the exemption from sales and use tax on vehicles used for rentals of thirty (30) days or less, is repealed.

~~(2) The gross receipts or gross proceeds derived from the sale of a motor vehicle to a person engaged in the business of renting a motor vehicle required to be licensed is exempt from taxation under the gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., and any municipal or county sales taxes if the motor vehicle is used exclusively for the purpose of rentals for periods of less than thirty (30) days.~~

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the



first day of the second calendar month following the effective date of this act.