

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

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

HOUSE BILL 1194

By: Representative L. Johnson

By: Senator J. Payton

For An Act To Be Entitled

AN ACT TO EXEMPT A MANUFACTURER'S REBATE ON A MOTOR VEHICLE FROM SALES AND USE TAX; TO EXCLUDE A MANUFACTURER'S REBATE ON A MOTOR VEHICLE FROM THE DEFINITION OF "SALES PRICE" USED FOR PURPOSES OF DETERMINING SALES AND USE TAXES; AND FOR OTHER PURPOSES.

Subtitle

TO EXEMPT A MANUFACTURER'S REBATE ON A MOTOR VEHICLE FROM SALES AND USE TAX; AND TO EXCLUDE A MANUFACTURER'S REBATE ON A MOTOR VEHICLE FROM THE DEFINITION OF "SALES PRICE" USED FOR PURPOSES OF DETERMINING SALES AND USE TAXES.

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

SECTION 1. Arkansas Code § 26-52-103(19)(B), concerning the exceptions to the definition of "gross receipts", "gross proceeds", or "sales price" under the Arkansas Gross Receipts Act of 1941, is amended to read as follows:

(B) "Gross receipts", "gross proceeds", or "sales price" does not include:

(i) A discount including cash, term, or a coupon that is not reimbursed by a third party and that is allowed by a seller and taken by a purchaser on a sale;

(ii) An interest, financing, or carrying charge from



credit extended on the sale of tangible personal property, specified digital products, a digital code, or services if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser; ~~and~~

(iii) A tax legally imposed directly on the consumer that is separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(iv) A manufacturer's rebate on a motor vehicle;

SECTION 2. Arkansas Code § 26-53-102(19)(B), concerning the exceptions to the definition of "sales price" or "purchase price" under the Arkansas Compensating Tax Act of 1949, is amended to read as follows:

(B) "Sales price" or "purchase price" does not include:

(i) A discount, including cash, term, or a coupon that is not reimbursed by a third party and that is allowed by a seller and taken by a purchaser on a sale;

(ii) Interest, financing, and carrying charges from credit extended on the sale of tangible personal property, specified digital products, a digital code, or services if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser; ~~and~~

(iii) Any tax legally imposed directly on the consumer that is separately stated on the invoice, bill of sale, or similar document given to the purchaser; and

(iv) A manufacturer's rebate on a motor vehicle;

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective on the first day of the calendar quarter following the effective date of this act.