

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

SENATE BILL 566

By: Senator J. Bryant  
By: Representative McCollum

## For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE SALES TAX APPLICABLE TO SALES OF CUSTOM MANUFACTURED HOMES, MODULAR HOMES, AND MOBILE HOMES; TO AMEND THE LAW CONCERNING THE SALES TAX APPLICABLE TO SALES OF PARK MODEL UNITS; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE LAW CONCERNING THE SALES TAX APPLICABLE TO SALES OF PARK MODEL UNITS; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 26-52-514(a), concerning the method of determining the total consideration for the sale of a vehicle, is amended to read as follows:

(a) The Secretary of the Department of Finance and Administration is authorized to adopt an alternative method for determining the total consideration for the sale of new or used:

- (1) Manufactured homes, mobile homes, ~~or~~ modular homes, or park model units under § 26-52-801 et seq.;
- (2) Aircraft under § 26-52-505; and
- (3) Motor vehicles, trailers, or semitrailers under §§ 26-52-510 and 26-53-126.



SECTION 2. Arkansas Code Title 26, Chapter 52, Subchapter 8 is amended to read as follows:

Subchapter 8 – Custom Manufactured Homes

26-52-801. Definitions.

As used in this subchapter:

(1) “Acquisition price” means the purchase price of the new manufactured home, ~~or modular home, or park model unit~~ to be paid by the purchaser as set forth on the actual invoice or bill of sale, excluding transportation and delivery fees, installation fees, and other items or services that are to be included as part of the final sale of the new manufactured home, ~~or modular home, or park model unit~~ by the retailer before the consideration of a trade-in allowance or down payment paid in cash or otherwise;

(2) “Manufactured home” means a factory-built structure produced in accordance with the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. § 5401 et seq., and designed to be used as a dwelling unit;

(3) “Mobile home” means a structure built in a factory prior to the enactment of the National Manufactured Housing Construction and Safety Standards Act of 1974, 42 U.S.C. § 5401 et seq., and designed to be used as a dwelling unit; ~~and~~

(4) “Modular home” means a factory-built structure produced in accordance to state or local construction codes and standards and designed to be used as a dwelling unit; and

(5) “Park model unit” means a factory-built unit produced in compliance with the American National Standards Institute A119.5 Park Model RV Standard, as it existed on January 1, 2020, or more stringent standards, and designed for occupancy when installed and anchored in accordance with the manufacturer’s instructions with the elements of transportation removed.

26-52-802. Sale of manufactured homes, modular homes, park model units, or mobile homes.

(a) Whether from an established business or by a licensed retailer, every person selling manufactured homes, ~~or modular homes, or park model units~~ in this state shall obtain a permit and report and remit to the

Secretary of the Department of Finance and Administration as provided in this chapter, together with:

- (1) Copies of invoices, sales, tickets, or bills of sale reflecting the dates of all sales of the new manufactured homes, ~~or modular homes,~~ or park model units;
- (2) The purchaser's name and address;
- (3) The make, year, model, serial number, and acquisition price of each manufactured home, ~~or modular home,~~ or park model unit; and
- (4) If applicable, the amount of tax collected from the purchaser.

(b) Upon the initial sale of a new manufactured home, ~~or modular home,~~ or park model unit, the tax levied by this chapter shall be collected on sixty-two percent (62%) of the acquisition price of the new manufactured home, ~~or modular home,~~ or park model unit.

(c) No tax shall be due on the sale of a mobile home or on a subsequent sale of a manufactured home, ~~or modular home,~~ or park model unit, including any tax levied by this chapter or any other gross receipts tax levied by the state.

#### 26-52-803. Enforcement.

(a) Any permittee who fraudulently attempts to evade any provision of this section or of this chapter shall be subject to having his or her permit revoked after notice and hearing provided in § 26-52-209.

(b)(1) Upon payment of all applicable registration and title fees, any manufactured home retailer licensed pursuant to § 27-14-601(a)(6) that makes a subsequent purchase of a manufactured home or park model unit for which the seller does not have a certificate of title may register the manufactured home or park model unit for the sole purpose of obtaining a certificate of title.

(2) No license plate or decal shall be provided with the registration.

SECTION 3. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that the Department of Finance and Administration has recently changed its interpretation of the tax status of park model units from considering them to be manufactured homes to

considering them to be recreational vehicles; that the department's new interpretation has created confusion among sellers that have been collecting and remitting the gross receipts tax on park model units as manufactured homes for years, has created an additional tax liability for purchasers of park model units, has delayed the issuance of titles required by banks and lenders for lien perfection purposes, and has created another legislative inequity in factory-built structures; and that this act is immediately necessary because it would correct the unexpected reversal in the department's interpretation and eliminate the inequity in the tax treatment of factory-built structures. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

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

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

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