

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

HOUSE BILL 1968

5 By: Representatives Perry, Brooks, Joey Carr, Hawk, R. Scott Richardson  
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## For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE COLLECTION OF  
10 SALES AND USE TAXES ON NEW OR USED MOTOR VEHICLES,  
11 TRAILERS, AND SEMITRAILERS, AS AFFIRMED BY REFERRED  
12 ACT 19 OF 1958; TO REQUIRE THE COLLECTION OF SALES  
13 TAX AT THE POINT OF SALE FOR THE SALE OF A NEW OR  
14 USED MOTOR VEHICLE, TRAILER, OR SEMITRAILER BY A  
15 DEALER; AND FOR OTHER PURPOSES.  
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## Subtitle

19 TO REQUIRE THE COLLECTION OF SALES TAX  
20 AT THE POINT OF SALE FOR THE SALE OF A  
21 NEW OR USED MOTOR VEHICLE, TRAILER, OR  
22 SEMITRAILER BY A DEALER; AND TO AMEND  
23 LAW AFFIRMED BY REFERRED ACT 19 OF 1958.  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 14-164-333(a)(2)(B), concerning local sales  
28 and use taxes for capital improvement bonds, is amended to read as follows:

29 (B) The tax levied in this subchapter on new and used  
30 motor vehicles shall be collected ~~by the secretary directly from the~~  
31 ~~purchaser~~ in the manner prescribed in § 26-52-510.  
32

33 SECTION 2. Arkansas Code § 26-52-510(a)(1) and (2), as affirmed by  
34 Referred Act 19 of 1958 and concerning the payment of sales tax on the sale  
35 of new and used motor vehicles, trailers, or semitrailers, are amended to  
36 read as follows:



1           (a)(1)(A) On or before the time for registration as prescribed by §  
2 27-14-903(a), a consumer shall pay to the Secretary of the Department of  
3 Finance and Administration the tax levied by this chapter and all other gross  
4 receipts taxes levied by the state with respect to the sale by a person other  
5 than a dealer of a new or used motor vehicle, trailer, or semitrailer  
6 required to be licensed in this state, instead of the taxes being collected  
7 by the ~~dealer or~~ seller.

8                   (B) The tax levied by this chapter and all other gross  
9 receipts taxes levied by the state with respect to the sale by a dealer of a  
10 new or used motor vehicle, trailer, or semitrailer required to be licensed in  
11 this state shall be collected at the time of the sale.

12           (2) The secretary shall require the payment of the taxes due  
13 under subdivision (a)(1)(A) of this section at the time of registration  
14 before issuing a license for the new or used motor vehicle, trailer, or  
15 semitrailer.

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17           SECTION 3. Arkansas Code § 26-52-510(b)(1)(C), as affirmed by Referred  
18 Act 19 of 1958 and concerning the payment of sales tax on the sale of new and  
19 used motor vehicles, trailers, or semitrailers, is amended to read as  
20 follows:

21                   (C)(i)(a) When a used motor vehicle, trailer, or  
22 semitrailer is sold by a consumer, rather than traded-in as a credit or part  
23 payment on the sale of a new or used motor vehicle, trailer, or semitrailer,  
24 and the consumer subsequently purchases a new or used vehicle, trailer, or  
25 semitrailer of greater value within sixty (60) days of the sale, the tax  
26 levied by this chapter and all other gross receipts taxes levied by the state  
27 shall be paid on the net difference between the total consideration for the  
28 new or used vehicle, trailer, or semitrailer purchased subsequently and the  
29 amount received from the sale of the used vehicle, trailer, or semitrailer  
30 sold in lieu of a trade-in.

31                           (b) If the subsequent purchase of the new or  
32 used motor vehicle, trailer, or semitrailer is from a dealer, the consumer:

33                                   (1) Shall pay the tax due on the total  
34 consideration for the new or used motor vehicle, trailer or semitrailer  
35 without taking the deduction provided under subdivision (b)(1)(C)(i)(a) of  
36 this section; and



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2 SECTION 5. Arkansas Code § 26-52-523(c)(3), concerning the credit or  
3 rebate on local sales and use tax, is amended to read as follows:

4 (3) If a rebate would be due under this section as a result of  
5 the purchase of a travel trailer and if the gross receipts or compensating  
6 use tax on the travel trailer is collected: ~~directly~~

7 (A) Directly from the purchaser by the Department of  
8 Finance and Administration under § 26-52-510 or § 26-53-126, then the  
9 department shall collect only the amount of tax due less the amount to which  
10 the purchaser would be entitled under the rebate provisions of this section;  
11 or

12 (B) From the purchaser at the point of sale under § 26-52-  
13 510, then the purchaser shall file a claim for a rebate as provided under §  
14 26-52-510.

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16 SECTION 6. Arkansas Code § 26-74-213(b)(1), concerning rebates of  
17 county sales and use tax for capital improvements, is amended to read as  
18 follows:

19 (b)(1) If a rebate would be due pursuant to the provisions of this  
20 subchapter as a result of the purchase of a new or used motor vehicle: ~~and if~~

21 (A) If the tax on the new or used motor vehicle is  
22 collected directly from the purchaser ~~pursuant to the provisions of~~ under §  
23 26-52-510, then the Secretary of the Department of Finance and Administration  
24 shall collect only the amount of tax due less the amount to which the  
25 purchaser would be entitled under the rebate provisions of this subchapter;  
26 or

27 (B) If the tax on the new or used motor vehicle is  
28 collected from the purchaser at the point of sale under § 26-52-510, then the  
29 purchaser shall file a claim for a rebate as provided under § 26-52-510.

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31 SECTION 7. Arkansas Code § 26-74-408(b)(1), concerning rebates of  
32 county sales and use tax for capital improvements, is amended to read as  
33 follows:

34 (b)(1) When a rebate would be due ~~pursuant to the provisions of~~ under  
35 this subchapter as a result of the purchase of a new or used motor vehicle:  
36 ~~and when~~

1                   (A) If the tax on the new or used motor vehicle is  
2 collected directly from the purchaser ~~pursuant to the provisions of~~ under §  
3 26-52-510, then the Secretary of the Department of Finance and Administration  
4 shall collect only the amount of tax due less the amount to which the  
5 purchaser would be entitled under the rebate provisions of this subchapter;  
6 or

7                   (B) If the tax on the new or used motor vehicle is  
8 collected from the purchaser at the point of sale under § 26-52-510, then the  
9 purchaser shall file a claim for a rebate as provided under § 26-52-510.

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11           SECTION 8. Arkansas Code § 26-75-212(b), concerning the collection of  
12 the city sales and use tax for capital improvements, is amended to read as  
13 follows:

14           (b) The tax levied in this subchapter on new and used motor vehicles  
15 shall be collected ~~by the Secretary of the Department of Finance and~~  
16 ~~Administration directly from the purchaser~~ in the manner prescribed in § 26-  
17 52-510.

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19           SECTION 9. Arkansas Code § 26-82-108(b), concerning the collection of  
20 the local sales and use tax under the Local Sales and Use Tax Economic  
21 Development Project Funding Act, is amended to read as follows:

22           (b) The local sales and use tax levied under this chapter on new and  
23 used motor vehicles shall be collected ~~by the Secretary of the Department of~~  
24 ~~Finance and Administration directly from the purchaser~~ under § 26-52-510.

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26           SECTION 10. EFFECTIVE DATE. Sections 1-9 of this act are effective on  
27 the first day of the calendar quarter following the effective date of this  
28 act.