1	State of Arkansas	A Bill	
2	95th General Assembly	A DIII	
3	Regular Session, 2025		HOUSE BILL 1968
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5	By: Representatives Perry, F	Brooks, Joey Carr, Hawk, R. Scott Richardson	
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8	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		OR VEHICLE, TRAILER, OR SEMITRAILER BY A	
15	DEALER; A	AND FOR OTHER PURPOSES.	
16			
17			
18		Subtitle	
19		REQUIRE THE COLLECTION OF SALES TAX	
20		THE POINT OF SALE FOR THE SALE OF A	
21		OR USED MOTOR VEHICLE, TRAILER, OR	
22		ITRAILER 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 ARKANS	AS:
26			
27		cansas Code § 14-164-333(a)(2)(B), conce	-
28	-	oital improvement bonds, is amended to r	
29	(B)		
30		be collected by the secretary directly	from the
31	purchaser in the mann	ner prescribed in § 26-52-510.	
32			
33		cansas Code § 26-52-510(a)(1) and (2), a	-
34	Referred Act 19 of 1958 and concerning the payment of sales tax on the sale		
35		r vehicles, trailers, or semitrailers, a	re amended to
36	read as follows:		



(a)(1)(A) On or before the time for registration as prescribed by §
 27-14-903(a), a consumer shall pay to the Secretary of the Department of
 Finance and Administration the tax levied by this chapter and all other gross
 receipts taxes levied by the state with respect to the sale by a person other
 than a dealer of a new or used motor vehicle, trailer, or semitrailer
 required to be licensed in this state, instead of the taxes being collected
 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 <u>due</u>
13 <u>under subdivision (a)(1)(A) of this section</u> at the time of registration
14 before issuing a license for the new or used motor vehicle, trailer, or
15 semitrailer.

16

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

04/01/2025 4:56:40 PM JLL326

1	(2) May claim the deduction provided		
2	under subdivision (b)(l)(C)(i)(a) of this section using the process		
3	established under subdivision (b)(l)(C)(ii) of this section.		
4	(ii)(a) Upon registration of the new or used motor		
5	vehicle, a consumer claiming the deduction provided by subdivision		
6	(b)(l)(C)(i) (b)(l)(C)(i)(a) of this section shall: provide		
7	(1) Provide a bill of sale signed		
8	by all parties to the transaction which that reflects the total consideration		
9	paid to the seller for the vehicle; and		
10	(2) If the new or used motor		
11	vehicle was purchased from a dealer, file a claim for a rebate of the amount		
12	subject to the deduction provided by subdivision (b)(l)(C)(i)(a) of this		
13	section.		
14	(b) A copy of the bill of sale and the claim		
15	for a rebate, if any, shall be deposited with the revenue office at the time		
16	of registration of the new or used motor vehicle.		
17	(c) The deduction provided by this section		
18	shall not be allowed unless the taxpayer claiming the deduction provides a		
19	copy of a bill of sale signed by all parties to the transaction which		
20	reflects the total consideration paid to the seller for the vehicle.		
21	(iii) If the taxpayer claiming the deduction		
22	provided in this section fails to provide a bill of sale signed by all		
23	parties to the transaction which <u>that</u> reflects the total consideration paid		
24	to the seller for the vehicle, tax shall be due on the total consideration		
25	paid for the new or used vehicle, trailer, or semitrailer without any		
26	deduction for the value of the item sold the taxpayer is not eligible to		
27	claim the deduction provided in this section.		
28			
29	SECTION 4. Arkansas Code § 26-52-510(f)(1)(B)(ii), as affirmed by		
30	Referred Act 19 of 1958 and concerning the payment of sales tax on the sale		
31	of a motor vehicle from the original franchise dealer to an entity other than		
32	a franchise dealer of the same make of vehicle, is amended to read as		
33	follows:		
34	(ii) The vehicle shall be considered a used motor		
35	vehicle which shall be registered and titled, and tax shall be paid at the		
36	time of registration the sale.		

HB1968

1 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 § 26-52-510, then the purchaser shall file a claim for a rebate as provided under § 13 14 26-52-510. 15 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 collected from the purchaser at the point of sale under § 26-52-510, then the 28 29 purchaser shall file a claim for a rebate as provided under § 26-52-510. 30 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 § 26-52-510, then the Secretary of the Department of Finance and Administration 3 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. 10 SECTION 8. Arkansas Code § 26-75-212(b), concerning the collection of 11 12 the city sales and use tax for capital improvements, is amended to read as follows: 13 14 The tax levied in this subchapter on new and used motor vehicles (b) 15 shall be collected by the Secretary of the Department of Finance and 16 Administration directly from the purchaser in the manner prescribed in § 26-52-510. 17 18 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 Development Project Funding Act, is amended to read as follows: 21 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 Finance and Administration directly from the purchaser under § 26-52-510. 24 25 26 SECTION 10. EFFECTIVE DATE. Sections 1-9 of this act are effective on 27 the first day of the calendar guarter following the effective date of this 28 act. 29 30 31 32 33 34 35 36