

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

A Bill

SENATE BILL 82

5 By: Senator J. Payton
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE SALES AND USE
10 TAX APPLICABLE TO PURCHASES OF NEW OR USED MOTOR
11 VEHICLES, TRAILERS, AND SEMITRAILERS; TO INCREASE THE
12 SALES AND USE TAX EXEMPTION FOR USED MOTOR VEHICLES;
13 TO AMEND THE REDUCED SALES AND USE TAX RATE
14 APPLICABLE TO PURCHASES OF USED MOTOR VEHICLES; AND
15 FOR OTHER PURPOSES.
16
17

Subtitle

19 TO INCREASE THE SALES AND USE TAX
20 EXEMPTION FOR USED MOTOR VEHICLES; AND
21 TO AMEND THE REDUCED SALES AND USE TAX
22 RATE APPLICABLE TO PURCHASES OF USED
23 MOTOR VEHICLES.
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. DO NOT CODIFY. Legislative findings.

28 The General Assembly finds that:

29 (1) Because Arkansas is a rural state, having reliable personal
30 transportation is essential for Arkansans to maintain employment, access
31 medical care, and obtain groceries and other daily necessities;

32 (2) Many working Arkansans have limited income and need
33 affordable personal transportation, which is impeded by the added expense of
34 sales and use tax on motor vehicles;

35 (3) The majority of motor vehicles that are sold for fifteen
36 thousand dollars (\$15,000) or less are used motor vehicles, which means that



1 sales or use tax has been collected previously on those motor vehicles at
 2 least one (1) time and often multiple times for motor vehicles that have been
 3 sold several times; and

4 (4) Arkansans who can afford only a motor vehicle valued at
 5 fifteen thousand dollars (\$15,000) or less often have to trade motor vehicles
 6 more often than those who can afford more expensive motor vehicles, which
 7 results in these Arkansans continually having to pay sales or use tax on
 8 motor vehicle purchases even though they have the least ability to afford the
 9 repeated payment of those taxes.

10
 11 SECTION 2. Arkansas Code § 26-52-324(a), concerning the special tax
 12 rate for certain used motor vehicles, trailers, and semitrailers, is amended
 13 to read as follows:

14 (a) In lieu of the gross receipts or gross proceeds taxes levied under
 15 §§ 26-52-301 and 26-52-302, there is levied an excise tax on the gross
 16 receipts or gross proceeds derived from the sale of ~~a used motor vehicle,~~
 17 ~~trailer, or semitrailer that has a sales price of at least four thousand~~
 18 ~~dollars (\$4,000) but less than ten thousand dollars (\$10,000) the following~~
 19 at the rate of two and eight hundred seventy-five thousandths percent
 20 (2.875%):

21 (1) A used motor vehicle that has a sales price of at least ten
 22 thousand dollars (\$10,000) but less than fifteen thousand dollars (\$15,000);
 23 and

24 (2) A used trailer or semitrailer that has a sales price of at
 25 least four thousand dollars (\$4,000) but less than ten thousand dollars
 26 (\$10,000).

27
 28 SECTION 3. Arkansas Code § 26-52-324, concerning the special tax rate
 29 for certain used motor vehicles, trailers, and semitrailers, is amended to
 30 add an additional subsection to read as follows:

31 (f) This section does not affect the exemptions provided under § 26-
 32 52-436.

33
 34 SECTION 4. Arkansas Code § 26-52-510(b)(1)(B), concerning the direct
 35 payment of sales tax by consumer-users on new and used motor vehicles,
 36 trailers, or semitrailers, is amended to read as follows:

1 (B)(i)(a) If the total consideration for the sale of the
 2 ~~new or used~~ motor vehicle, or the new or used trailer, or semitrailer is less
 3 than four thousand dollars (\$4,000), no tax is due.

4 (b) If the total consideration for the sale of
 5 the used motor vehicle is less than ten thousand dollars (\$10,000), no tax is
 6 due.

7 (c) If the total consideration for the sale of
 8 a new motor vehicle, trailer, or semitrailer is four thousand dollars
 9 (\$4,000) or more, the full gross receipts tax rate levied under this chapter
 10 shall be levied and collected.

11 (ii) If the total consideration for the sale of a
 12 ~~used motor vehicle~~, trailer, or semitrailer is at least four thousand dollars
 13 (\$4,000) but less than ten thousand dollars (\$10,000), the gross receipts tax
 14 due shall be determined under § 26-52-324.

15 (iii) If the total consideration for the sale of a
 16 ~~used motor vehicle~~, trailer, or semitrailer is ten thousand dollars (\$10,000)
 17 or more+,

18 ~~(a) The exemption under subdivision~~
 19 ~~(b)(1)(B)(i)(a) of this section does not apply;~~

20 ~~(b) The special tax rate provided in § 26-52-~~
 21 ~~324 does not apply; and~~

22 ~~(c) The the full gross receipts tax rate~~
 23 levied under this chapter shall be levied and collected.

24 (iv) If the total consideration for the sale of the
 25 used motor vehicle is at least ten thousand dollars (\$10,000) but less than
 26 fifteen thousand dollars (\$15,000), the gross receipts tax due shall be
 27 determined under § 26-52-324.

28 (v) If the total consideration for the sale of the
 29 used motor vehicle is fifteen thousand dollars (\$15,000) or more, the full
 30 gross receipts tax rate levied under this chapter shall be levied and
 31 collected.

32 (vi) This subdivision (b)(1)(B) does not affect the
 33 exemptions provided under § 26-52-436.

34
 35 SECTION 5. Arkansas Code § 26-53-126(b)(2), concerning the
 36 compensating use tax on new and used motor vehicles, trailers, or

1 semitrailers, is amended to read as follows:

2 (2)(A)(i) If the total consideration for the sale of the new ~~or~~
3 ~~used~~ motor vehicle, or the new or used trailer, or semitrailer is less than
4 four thousand dollars (\$4,000), no tax is due.

5 (ii) If the total consideration for the sale of the
6 used motor vehicle is less than ten thousand dollars (\$10,000), no tax is
7 due.

8 (iii) If the total consideration for the sale of a
9 new motor vehicle, trailer, or semitrailer is four thousand dollars (\$4,000)
10 or more, the full compensating use tax rate levied under this chapter shall
11 be levied and collected.

12 (B) If the total consideration for the sale of a used
13 ~~motor vehicle~~, trailer, or semitrailer is at least four thousand dollars
14 (\$4,000) but less than ten thousand dollars (\$10,000), the compensating use
15 tax due shall be determined under § 26-53-150.

16 (C) If the total consideration for the sale of a used
17 ~~motor vehicle~~, trailer, or semitrailer is ten thousand dollars (\$10,000) or
18 ~~more+~~,

19 ~~(i) The exemption under subdivision (b)(2)(A)(i) of~~
20 ~~this section does not apply;~~

21 ~~(ii) The special tax rate provided in § 26-53-150~~
22 ~~does not apply; and~~

23 ~~(iii) The the full compensating use tax rate levied~~
24 ~~under this chapter shall be levied and collected.~~

25 (D) If the total consideration for the sale of the used
26 motor vehicle is at least ten thousand dollars (\$10,000) but less than
27 fifteen thousand dollars (\$15,000), the compensating use tax due shall be
28 determined under § 26-53-150.

29 (E) If the total consideration for the sale of the used
30 motor vehicle is fifteen thousand dollars (\$15,000) or more, the full
31 compensating use tax rate levied under this chapter shall be levied and
32 collected.

33 (F) This subdivision (b)(2) does not affect the exemptions
34 provided under § 26-53-144.

35
36 SECTION 6. Arkansas Code § 26-53-150(a)(1), concerning the special tax

1 rate for certain used motor vehicles, trailers, and semitrailers, is amended
2 to read as follows:

3 (a)(1) In lieu of the compensating use taxes levied under §§ 26-53-106
4 and 26-53-107, there is levied an excise tax for the privilege of storing,
5 using, distributing, or consuming a used motor vehicle, trailer, or
6 semitrailer within this state if the sales price ~~of the used motor vehicle,~~
7 ~~trailer, or semitrailer~~ is:

8 (A) For a used motor vehicle, at least ten thousand
9 dollars (\$10,000) but less than fifteen thousand dollars (\$15,000); and

10 (B) For a used trailer or semitrailer, at least four
11 thousand dollars (\$4,000) but less than ten thousand dollars (\$10,000).

12
13 SECTION 7. Arkansas Code § 26-53-150, concerning the special tax rate
14 for certain used motor vehicles, trailers, and semitrailers, is amended to
15 add an additional subsection to read as follows:

16 (f) This section does not affect the exemptions provided under § 26-
17 53-144.

18
19 SECTION 8. EFFECTIVE DATE. Sections 2-7 of this act are effective on
20 the first day of the calendar quarter following the effective date of this
21 act.