

**ARKANSAS SENATE**  
88th General Assembly - Regular Session, 2011  
**Amendment Form**

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**Subtitle of House Bill No. 2188**

TO EXEMPT FROM THE SALES AND USE TAX THE GROSS RECEIPTS DERIVED FROM  
THE SALE OF CLASS SIX AND SEVEN TRUCKS AND SEMITRAILERS; TO TRANSFER  
FUNDS FROM THE STATE HIGHWAY AND TRANSPORTATION DEPARTMENT FUND  
TO OFFSET THE LOSS.

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**Amendment No. 1 to House Bill No. 2188**

Amend House Bill No. 2188 as engrossed, H3/23/11 (version: 3/23/2011 11:15:18 AM)

Page 1, delete lines 14 through 18 and substitute the following:  
"SEMITRAILERS; TO OFFSET GENERAL REVENUES LOST AS A RESULT OF THE EXEMPTION  
WITH REVENUES FROM DISTILLATE MOTOR FUEL TAXES; AND FOR OTHER PURPOSES."

AND

Delete the subtitle in its entirety and substitute:

"TO EXEMPT FROM THE SALES AND USE TAX  
THE GROSS RECEIPTS DERIVED FROM THE  
SALE OF CLASS SIX AND SEVEN TRUCKS AND  
SEMITRAILERS AND TO OFFSET GENERAL  
REVENUES LOST WITH REVENUES FROM  
DISTILLATE MOTOR FUEL TAXES."

AND

Page 1, delete line 32 and substitute:

"SECTION 1. Arkansas Code § 19-6-201, concerning the enumeration of  
general revenues, is amended to add a new subdivision to read as follows:

(65) The first four million dollars (\$4,000,000) of the eight and one-half cent (8½¢) tax on distillate special fuels levied each fiscal year under § 26-56-201(a)(1)(A)(i).

SECTION 2. Arkansas Code § 19-6-301(3)(A), concerning the enumeration  
of special revenues, is amended to read as follows:

(A) Nine Eight and one-half one-half cent (9½¢) (8½¢) tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A), after the deduction of the first four million dollars (\$4,000,000) each fiscal year



under § 26-56-201(g)(1) and one cent (1¢) tax on distillate special motor fuels levied by § 26-56-201(a)(1)(A)(ii);

SECTION 3. Arkansas Code § 26-52-436 is amended to read as follows:”

AND

Page 4, delete SECTION 3 in its entirety and substitute:

“SECTION 5. Arkansas Code § 26-56-201, concerning imposition of distillate special fuel excise tax, is amended to read as follows:

26-56-201. Imposition of tax – Exemptions.

(a)(1)(A)(i) There is levied an excise tax at the rate of ~~nine~~ eight and one-half cents (~~9½¢~~) (8½¢) per gallon on all distillate special fuel, ~~except fuel utilized in propelling jet aircraft,~~ sold or used in this state, or purchased for sale or use in this state.

(ii) In addition to the tax levied in subdivision (a)(1)(A)(i) of this section, there is levied an excise tax at the rate of one cent (1¢) per gallon on all distillate special fuel sold or used in this state or purchased for sale or use in this state.

(B) The additional levies provided in subdivision (a)(2) of this section and § 26-56-502 are specifically intended to apply to the taxes levied by this section and shall remain effective.

(2) In addition to the tax levied in subdivision (a)(1) of this section, there is levied an excise tax of one cent (1¢) for each gallon of distillate special fuel, as defined in § 26-56-102, sold or used in this state, or purchased for sale or use in this state, to be computed in the manner set forth in this section.

(b) The following are exempted from the tax levied by subsection (a) of this section:

(1) Sales to the United States Government;

(2) Sales to dealers, users, or off-road consumers for off-road use if and only if the fuel was delivered by the supplier into storage facilities clearly marked “NOT FOR MOTOR VEHICLE USE”;

(3) Sales of distillate special fuel by a licensed supplier for export from the State of Arkansas when shipped by common carrier f.o.b. destination to any other state or territory or to any foreign country, or the export of distillate special fuel by a licensed supplier from the State of Arkansas to any other state or territory or to any foreign country, provided that satisfactory proof of actual exportation of all such distillate special fuel is furnished at the time and in the manner prescribed by the Director of the Department of Finance and Administration;

(4) Sales of distillate special fuel by a pipeline importer who has first received the distillate special fuel in this state or to a licensed first receiver in this state; ~~and~~

(5) Sales for other than motor vehicle use in quantities of sixty gallons (60 gals.) or less; and

(6) Sales of distillate special fuel utilized in propelling jet aircrafts.

(c) A licensed first receiver shall not sell untaxed distillate special fuel to another licensed first receiver or pipeline importer, unless a specific exemption is available under subsection (b) of this section.

(d)(1) In addition to the taxes levied on distillate special fuel in this section and § 26-56-502, there is levied an additional excise tax of four cents (4¢) per gallon upon all distillate special fuel subject to the taxes levied in this section and § 26-56-502.

(2) This additional excise tax shall be levied, collected, reported, and paid in the same manner and at the same time as is prescribed by law for the levying, collection, reporting, and payment of the other distillate special fuel taxes under Arkansas law.

(e)(1)(A) In addition to the taxes levied on distillate special fuel in this section and §§ 26-56-502 and 26-56-601, there is levied an excise tax of two cents (2¢) per gallon upon all distillate special fuel subject to the taxes levied in this section and §§ 26-56-502 and 26-56-601.

(B) Effective one (1) year after April 1, 1999, the additional tax levied by this subsection shall be increased by an additional two cents (2¢) per gallon.

(2) This additional excise tax shall be levied, collected, reported, and paid in the same manner and at the same time as is prescribed by law for the levying, collection, reporting, and payment of the other distillate special fuel taxes under Arkansas law.

(3) The additional tax levied by this subsection shall be taken into consideration and used when calculating tax credits or additional tax due under § 26-56-214.

(f) The Except as provided in subsection (g) of this section, the additional taxes collected pursuant to this section shall be considered special revenues and shall be distributed as set forth in the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., and the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.

(g)(1) In order to offset the general revenues lost by the tax exemption contained in § 26-52-436(c) and (d) and § 26-53-144(c) and (d), the Chief Fiscal Officer of the State shall, on or before June 30, 2013, and on or before June 30 of each fiscal year thereafter, deposit the first four million dollars (\$4,000,000) of the taxes collected under subdivision (a)(1)(A)(i) of this section as general revenues, to be distributed as follows:

(A) Seventy-five percent (75%) to be deposited into the General Revenue Fund Account of the State Apportionment Fund, § 19-5-202;

(B) Fourteen and six-tenths percent (14.6%) to be deposited into the Educational Adequacy Fund, § 19-5-1227;

(C) Eight and three-tenths percent (8.3%) to be deposited into the Property Tax Relief Trust Fund, § 19-5-1103; and

(D) Two and one-tenth percent (2.1%) to be deposited into the Conservation Tax Fund, § 19-6-484.

(2) The balance of the taxes collected under subdivision (a)(1)(A)(i) of this section shall be deposited as special revenues and distributed in the manner required by law.

(3) The classification and distribution of taxes under subdivision (g)(1) of this section is subject to any requirements for the repayment of bonds issued under the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq., and the Arkansas Interstate Highway Financing Act of 2007, § 27-64-401 et seq.

(4) The taxes collected under subdivision (a)(1)(A)(ii) of this section shall be distributed as provided in § 26-56-221.”

AND

Appropriately renumber the sections of the bill

The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_

By: Senator Teague  
MAG/JPS - 03/28/11 09:49  
MAG374

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Secretary