

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

# A Bill

HOUSE BILL 1904

5 By: Representatives Milligan, Jett, Wooten  
6 By: Senators Irvin, Hickey  
7

## For An Act To Be Entitled

9 AN ACT TO PROVIDE FOR THE TAX TREATMENT OF PEER-TO-  
10 PEER CAR-SHARING PROGRAMS; TO AMEND THE DEFINITION OF  
11 A "MARKETPLACE FACILITATOR"; TO REQUIRE PEER-TO-PEER  
12 CAR-SHARING PROGRAMS TO COLLECT AND REMIT SALES AND  
13 USE TAX AND THE RENTAL-VEHICLE TAX UNDER CERTAIN  
14 CONDITIONS; AND FOR OTHER PURPOSES.  
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## Subtitle

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18 TO REQUIRE PEER-TO-PEER CAR-SHARING  
19 PROGRAMS TO COLLECT AND REMIT SALES AND  
20 USE TAX AND THE RENTAL-VEHICLE TAX UNDER  
21 CERTAIN CONDITIONS.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. DO NOT CODIFY. Legislative findings.

27 The General Assembly finds that:

28 (1) Before the passage of Acts 2019, No. 822, the inability to  
29 effectively collect Arkansas sales and use taxes from the growing number of  
30 remote sellers caused revenue losses and harmed the state through the loss of  
31 critical funding for state and local services;

32 (2) This harm created the need for Acts 2019, No. 822, which:

33 (A) Restored lost revenue;

34 (B) Provided fairness for in-state sellers that were  
35 delivering the same goods and services as those being provided by remote  
36 sellers;



1                   (C) Ensured efficiency for the state and for individual  
 2 taxpayers by requiring marketplace facilitators to collect and remit  
 3 applicable taxes when the marketplace facilitator has sales of at least one  
 4 hundred thousand dollars (\$100,000) or at least two hundred (200)  
 5 transactions; and

6                   (D) Established that, in addition to sales tax, a  
 7 marketplace facilitator must collect and remit other applicable taxes that  
 8 would otherwise apply to an in-state seller; and

9                   (3) A marketplace facilitator’s obligation to remit and collect  
 10 the appropriate taxes is not overly burdensome because advanced computing and  
 11 software options can be employed to collect and remit the appropriate taxes  
 12 associated with the sale of goods and services to residents of this state.  
 13

14           SECTION 2. Arkansas Code § 26-52-103(21), as amended by Acts 2021, No.  
 15 144, § 1, concerning the definitions used under the state sales tax laws, is  
 16 amended to read as follows:

17                   (21)(A) “Marketplace facilitator” means a person that  
 18 facilitates the sale of tangible personal property, taxable services, a  
 19 digital code, or specified digital products by:

20                                 ~~(A)(i)~~ Listing or advertising tangible personal  
 21 property, taxable services, a digital code, or specified digital products for  
 22 sale in a forum; and

23                                 ~~(B)(ii)~~ Either directly or indirectly through an  
 24 agreement or arrangement with a third party, collecting payment from a  
 25 purchaser and transmitting the payment to the person selling the tangible  
 26 personal property, taxable services, a digital code, or specified digital  
 27 products, regardless of whether the person receives compensation or other  
 28 consideration in exchange for the person’s services in collecting and  
 29 transmitting the payment.

30                                 (B)(i) "Marketplace facilitator" includes without  
 31 limitation a peer-to-peer car-sharing program.

32                                 (ii) As used in this subdivision (21)(B), "peer-to-  
 33 peer car-sharing program" means a business platform that connects motor-  
 34 vehicle owners with drivers to enable the sharing of motor vehicles for  
 35 financial consideration;  
 36

1 SECTION 3. Arkansas Code § 26-63-302(a)(1)(B), concerning the rental-  
 2 vehicle tax levied on the rental of a motor vehicle for period of less than  
 3 thirty (30) days, is amended to read as follows:

4 (B)(i) The rental vehicle tax is levied on the gross  
 5 receipts or gross proceeds derived from the rental of a motor vehicle  
 6 required to be licensed that is leased for a period of less than thirty (30)  
 7 days.

8 (ii) The gross receipts or gross proceeds under this  
 9 subdivision (a)(1)(B) include the gross receipts or gross proceeds of a peer-  
 10 to-peer car-sharing program as defined in § 26-52-103(21)(B).

11 (iii) A peer-to-peer car sharing program that is  
 12 required under § 26-52-111 to collect and remit sales or use tax shall also  
 13 collect and remit the tax levied by this section.

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 15 SECTION 4. EFFECTIVE DATE. Sections 2-3 of this act are effective on  
 16 the first day of the second calendar month following the effective date of  
 17 this act and are retroactive.

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