



ARKANSAS AUTOMOBILE DEALERS ASSOCIATION

AADA NEWS AND UPDATE #14

DECEMBER 22, 2021



SALES TAX ON USED VEHICLES CHANGING (EFFECTIVE JANUARY 1, 2022)

A change to the sales tax on used vehicles goes into effect on January 1, 2022.

Act 1013 from the regular session of the 93rd General Assembly earlier this year, provides a reduced state sales and use tax rate of 3.5% on the sale of a used motor vehicle, trailer, or semitrailer that has a sales price of at least four thousand dollars (\$4,000) but less than ten thousand dollars (\$10,000).

The key points of this new sales tax rate are as follows:

- If the total price for the sale of a used motor vehicle, trailer or semi-trailer is less than (\$4,000), no tax will be collected;
- If the total price for the sale of a used motor vehicle, trailer or semitrailer is at least (\$4,000) but less than (\$10,000), the gross price of the vehicle will be taxed at the reduced state tax rate of (3.5%);
- Local tax will not be subject to the reduced state tax rate;
- If the total price for the sale of a used motor vehicle, trailer or semitrailer is (\$10,000) or more the vehicle will be taxed at the rate of (6.5%); and,

- The reduced sales tax rate for the sale of used motor vehicles, trailers, and semitrailers under Act 1013 applies to the date of sale, not the date of registration. If a used vehicle is purchased in December 2021, it will not be eligible for the reduced sales tax rate (effective January 1, 2022) even if the vehicle is registered in January 2022. The reduced rate is only effective for purchases on or after January 1, 2022.

AADA is working with the Department of Finance and Administration to assist with any issues that may arise from the implementation of this new sales tax law.



SUPREME COURT TO CONSIDER STAY OF OSHA "VAX OR TEST" MANDATE - RULE REMAINS IN EFFECT

On Monday, the Supreme Court gave the U.S. Department of Labor until December 30, 2021 to respond to several petitions for an emergency stay of the Occupational Safety and Health Administration's "Vax or Test" Emergency Temporary Standard (ETS).

This move came after a divided three-judge panel of the U.S. Court of Appeals for the Sixth Circuit lifted a pre-existing stay on December 17, 2021, which effectively reinstated the ETS for covered employees with at least 100 workers.

As a result, **the ETS is now in effect.**

OSHA has stated that it will exercise enforcement discretion with respect to employers exercising reasonable, good-faith efforts to come into compliance by not issuing citations for noncompliance before January 10, 2022 for those mandates originally required to be met by December 5, 2021, and by not issuing citations before February 9, 2022, for noncompliance with the "vax or test" mandates originally required by January 4, 2021.

Since the Supreme Court is unlikely to issue a decision prior to the new year, it is **very important** that dealers review the mandates set out in [OSHA's ETS](#) now, and consult with their counsel as to what steps toward compliance they should be taking. In that regard, please see the NADA webinar [OSHA's New COVID-19 Employer Vaccine-or-Test Mandate: A Summary for Franchised Dealerships](#).

In addition, recent examples of law firm outreach regarding OSHA's ETS can be found [here](#). Specific questions on how and when to comply with the ETS or with related state and local law should be addressed to individual counsel. General questions on the ETS and on related court actions may be directed to regulatoryaffairs@nada.org.



REMINDER:
**STATE OF ARKANSAS AND AADA
HOLIDAY HOURS**

State government offices, as well as the AADA office, will be closed on Thursday, December 23 and Friday, December 24 in observance of the Christmas Eve and Christmas Day holidays. All offices will resume normal business hours on Monday, December 27.

Additionally, state government offices will be closed on Friday, December 31 in observance of the New Year's Day holiday. The AADA office will be closed on Thursday, December 30 and Friday, December 31 in observance of the New Year holiday.

If you need to contact someone at AADA during this time, please feel free to call Greg Kirkpatrick at (501) 590-2840.

We wish everyone a safe and Merry Christmas.

ADDITIONAL AND HELPFUL LINKS

If you have any questions about this bulletin please don't hesitate to call, (501) 372-2596, or email Greg Kirkpatrick greg@arkautodealers.com.