

DFA Arkansas Department of Finance and Administration



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Volume XIX, No. 4	ARKANSAS DFA HOMEPAGE	October, November, and December 2013

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Taxpayers who have already filed their 2012 returns but qualify to claim either or both of these tax provisions may amend their 2012 returns. Form AR1000F (full year resident) or AR1000NR (part year resident or nonresident) should be used to file an amended return.

Taxpayers claiming a deduction for PMI should report the amount on Line 26 of the Arkansas Itemized Deduction Schedule, Form AR3. Tax free distributions from an IRA for charitable purposes should be reported on Line 51 of Form AR1000F (full year resident) or AR1000NR (part year or nonresident). The income tax forms previously listed are available at the following link: [Individual Income Tax Forms](#) or by calling the Income Tax Section at (501) 682-1100 or (800) 882-9275 on Monday through Friday from 8:00 a.m. until 4:30 p.m.

For more information on this article, please go to the following link where the content was cited from: [Individual Income Tax Webpage](#).

OFFICE OF INCOME TAX ADMINISTRATION

OFFICE OF INCOME TAX ADMINISTRATION

American Taxpayer Relief Act of 2012

Arkansas Long Term Capital Gains Tax

The state of Arkansas retroactively adopted IRC§163 and §408, part of the American Taxpayer Relief Act of 2012. For tax year 2012, these sections allow for a deduction of mortgage insurance premiums (PMI) and tax free distributions from an IRA for charitable purposes.

Currently, thirty percent of net capital gains are excluded from income with the remaining 70 percent being treated as ordinary income tax.

Act 1488 amends the current law concerning the income tax on capital gains. It increases the income tax exclusion for capital gains from the current 30 percent to 50 percent. Also, if a taxpayer has long term capital gain in excess of \$10 million,

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the incremental portion of capital gain above \$10 million is fully exempt from Arkansas income tax. Act 1488 will become effective on January 1, 2015. To view Act 1488 in its entirety, please go to the following link: [Act 1488](#).

The following are a few facts about capital gains and losses:

- Almost everything you own and use for personal purposes, pleasure or investment is a capital asset. Capital assets include your home, household furnishings, and stocks and bonds that you hold as investments.
- A capital gain or loss is the difference between your basis of an asset and the amount you receive when you sell it. Your basis is usually what you paid for the asset.
- All capital gains must be included in your income.
- Capital losses may be deducted on the sale of investment property. Losses cannot be deducted on the sale of personal-use property.
- Capital gains and losses are long-term or short-term, depending on how long you hold on to the property. If you hold the property more than one year, your capital gain or loss is long-term. If you hold it one year or less, the gain or loss is short-term.
- If your long-term gains exceed your long-term losses, the difference between the two is a net long-term capital gain. If your net long-term capital gain is more than your net short-term capital loss, you have a 'net capital gain'.
- If your total net capital losses are greater than your capital gains, you can deduct the difference between the two on your tax return. The annual limit on this deduction is \$3,000, or \$1,500 if you are married filing separately.
- If your total net capital loss is more than the limit you can deduct, you can carry over the losses you are not able to deduct to next year's tax return. Those losses will be treated as if they occurred that year.
- [Form 8949, Sales and Other Dispositions of Capital Assets](#), will help you calculate capital gains and losses. You will carry over the subtotals from this form to [Schedule D, Capital Gains and Losses](#). If you e-file your tax return, the software should do this for you.

The previous list concerning capital gains and losses can be found on the Internal Revenue Service's (IRS) website at the following link: [Ten Facts about Capital Gains and Losses](#).

If you had a capital gain or loss reported on federal Schedule D, use Arkansas Form AR1000D to determine the Arkansas taxable amount. Attach federal Schedule D and Form AR1000D to your Arkansas return.

INCOME TAX ADMINISTRATION

Email Scam

The Arkansas Department of Finance and Administration (DFA) previously alerted taxpayers to the latest version of an e-mail scam intended to mislead people by believing their tax return is being reviewed by the Arkansas Revenue Services. Arkansas Revenue Services is a fictitious name, and is not a part of the Department of Finance and Administration.

The Arkansas DFA does not send out unsolicited e-mails or ask for detailed financial information by unsolicited e-mails. Recipients of questionable e-mails claiming to come from the Arkansas DFA or from the Arkansas Revenue Services should not open any attachments or click on any links contained in the e-mail.

The Arkansas DFA warned taxpayers that the e-mail link may request personal or financial information. The e-mail claims to be from Arkansas Revenue Services and falsely states that the person's tax return has been selected for a detailed review because of a number of irregularities. The e-mail attempts to entice people to click on a link to learn more information about the complaint against them.

This e-mail is one of several types of questionable e-mails that the Arkansas DFA and other federal and state agencies receive that involve tricking victims into revealing private and financial information over the Internet which is a practice known as "phishing" for information.

Taxpayers should beware of these email scams and exercise caution whenever you receive unsolicited emails from senders you don't know.

For more information, click on the following link that includes the original email scam press release: [Income Tax Return Email Scam](#).

If you think you may have been a victim of this email scam, please contact the Income Tax Section at 501-682-1100.

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Streamlined Sales Tax Collections

Arkansas is a full member of the Streamlined Tax Governing Board. The following table illustrates how Streamlined Sales Tax Collections have increased since 2005.

Calendar Year	Sales and Local Tax Collections	Registrations
Oct-Dec 2005	\$142,891	110
2006	\$2,057,138	561
2007	\$4,972,311	664
2008	\$6,716,412	1,167
2009	\$7,259,093	1,203
2010	\$8,434,499	1,409
2011	\$9,545,195	1,737
2012	\$9,721,778	1,851
2013	\$4,093,933 (As of May 2013)	2002 (As of July 2013)

For additional information on the Streamlined Sales Tax Project, click on the following links: [Streamlined Sales Tax Project](#) & [Streamlined Sales Tax Governing Board](#).

You may also contact Tom Atchley, Administrator for the Office of Excise Tax Administration, at the Arkansas Department of Finance and Administration at 501-682-7200.

Effective October 1, 2013

During the 2013 Regular Legislative Session, a number of acts affecting Arkansas revenue were enacted.

The following information lists new sales tax acts:

Act 1164: This act levies state, local, and long term motor vehicle leasing tax on vehicles leased for more than thirty (30) days regardless of whether the tax was paid at the time of registration.

Act 1392: This act exempts farmers engaged in commercial farming operations on the purchase of baling twine, net wrap, silage wrap, and other similar products that are used for baling, packaging, tying, wrapping, or sealing animal feed products. Animal feed products include hay, straw, grass, fodder, and silage.

HELPFUL WEBPAGE LINKS

- [INDIVIDUAL INCOME TAX ACCOUNT CHANGE FORM](#)
- [REQUEST FOR COPY OF ARKANSAS TAX RETURNS](#)
- [ELECTRONIC FILING PAYMENT OPTIONS INFORMATION](#)
- [OFFERS IN COMPROMISE \(OIC\) FORMS](#)
- [POWER OF ATTORNEY \(POA\) FORM](#)
- [CORPORATION INCOME TAX FORMS](#)
- [INCOME TAX REFUND INQUIRY](#)
- [IRS--WHERE'S MY REFUND LINK](#)
- [LOCAL TAX LOOKUP TOOLS](#)
- [GENERAL REVENUE REPORT FOR AUGUST \(FY 2014\)](#)
- [CREDIT CARD PAYMENT INFORMATION](#)
- [LIST OF ARKANSAS DFA REVENUE OFFICES & PHONE NUMBERS](#)
- [PULASKI COUNTY ASSESSOR'S OFFICE](#)
- [ARKANSAS SECRETARY OF STATE'S OFFICE HOMEPAGE](#)
- [ARKANSAS CHILD SUPPORT HOMEPAGE](#)
- [ARKANSAS DEPARTMENT OF WORKFORCE SERVICES HOMEPAGE](#)
- [FEDERAL EMPLOYER IDENTIFICATION NUMBER APPLICATION](#)
- [MOTOR FUEL TAX](#)
- [SMALL BUSINESS CORPORATE \(SUB-S\) REPORTING FORMS](#)
- [SALE OR CLOSURE OF BUSINESS FORM](#)
- [TAX CREDITS AND SPECIAL REFUNDS](#)
- [NOTICE OF TRANSFER OF OWNERSHIP OF A MOTOR VEHICLE](#)
- [CERTIFICATE OF TITLE WITH BENEFICIARY](#)
- [INDIVIDUAL INCOME TAX E-FILE](#)
- [E-FILE ONLINE PROVIDERS](#)
- [INDIVIDUAL INCOME TAX FILING INFORMATION AND FORMS WEBPAGE](#)
- [COMPOSITE FILING AND WITHHOLDING FOR PASS THROUGH ENTITIES FORMS AND GENERAL INFORMATION](#)
- [STATE TAX RATES](#)

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OFFICE OF MOTOR VEHICLE ADMINISTRATION



To renew your vehicle registration, change your address on your vehicle registration, or receive vehicle registration renewals by email, please go to the following link: [ARSTAR](#).

For more information on registration renewal, please contact the Office of Motor Vehicle Administration at 501-682-4692 or email at MVInformation@dfa.arkansas.gov.

HELPFUL DFA REVENUE ROOM NUMBERS

Room 1310	Central Audit District
Room 1360	Collections
Room 1380	Withholding Section
Room 1450	Audit Coordination
Room 2240	Miscellaneous Tax
Room 2250	Corporation Income Tax
Room 2350	Motor Fuel Tax
Room 2360	Hearings and Appeals
Room 2380	Revenue Legal Counsel
Room 2370	Tax Credits/Special Refunds
Room 2460	Problem Resolution & Tax Information Office

DFA REVENUE



**American
Red Cross**

DFA/Revenue Division is sponsoring an American Red Cross Blood Drive on Wednesday, November 20, 2013, from 9:00 a.m. to 1:00

p.m., in Room 2020 in the Ragland Building.

For more information concerning the American Red Cross Blood Drive on November 20th and how to set up an appointment to donate, please go to the following link: [November 2013 American Red Cross Blood Drive](#).

ATAP

Arkansas Taxpayer Access Point

ATAP is a **FREE** web-based service that gives taxpayers or their designated representative online access to their tax accounts and offers the following services:

- ❖ Make a payment.
- ❖ Register a business.
- ❖ File a return on-line (except individual income tax).
- ❖ File a return using XML return upload.
- ❖ Change a name on an account.
- ❖ Change an address on an account.
- ❖ Amend a return.
- ❖ Store banking information for use during payment submission.

- ❖ View tax period financial information (tax penalty, interest, credits, balance, & etc.).

- ❖ View payments received.
- ❖ View recent account activity.
- ❖ View correspondence from the department.

The information for this article was cited from the following webpage: [ATAP Information](#).

To sign up on ATAP, please go to: [ATAP Homepage](#).

OFFICE OF FIELD AUDIT ADMINISTRATION

Reporting Suspicious Tax Activities

To report suspicious tax activities, please go to the following webpage: [Reporting Suspicious Tax Activities](#).

For more information on reporting suspicious activity, please contact the Office of Field Audit by phone at 501-682-4616 or email at fieldAudit@dfa.arkansas.gov.

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Important: Upcoming Local Sales & Use Tax Changes in Arkansas Counties & Towns

Updates to Local Sales and Use Taxes
Please call 501-682-7104 for Periodic Updates or click on the following link:
[Local Sales and Use Tax Updates](#)

Name	Code	Effective Date	%	Recent Action
Blytheville	47-05	10/01/13	1.250	Decreased
Elm Springs	72-03	10/01/13	1.00	Annexation
Green Forest	08-03	10/01/13	2.250	Increased
Keiser	47-02	10/01/13	0.00	Rescinded
Monette	16-10	10/01/13	1.00	Enacted
Osceola	47-01	10/01/13	1.00	Enacted
Pocahontas	61-04	10/01/13	2.00	Increased
Vilonia	23-04	10/01/13	2.00	Decreased
Hempstead County	29-00	10/01/13	2.00	Decreased

Franchise Tax Amnesty Period, Sept. 1- Dec. 31, 2013

Arkansas businesses have an opportunity to catch up on delinquent franchise taxes with penalties and interest forgiven on up to three years' payments.

This program, which runs from September 1 until December 31, 2013, was created by Act 1041 of 2013 and establishes a franchise tax penalty and interest amnesty season.

All current and delinquent franchise taxes, along with the proper paperwork, must be submitted in person or by mail to the Tax Amnesty Program, Business and Commercial Services Division, 1401 West Capitol Avenue, Suite 250, Little Rock, AR 72201.

Amnesty only applies for businesses revoked as of December 31, 2012. Tax, penalties and interest due for 2013 are not eligible.

For more information on the franchise tax amnesty period and also to view the form with instructions, go to the following link: [Franchise Tax Amnesty](#). Information for this article was cited from the following link: [Franchise Tax Amnesty Period Information](#).

OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE)

OCSE MyWorkers Website



OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE)

Camden Office Address Change

As of July 25, 2013, the Camden Office of Child Support Enforcement (OCSE) moved to a new location.

The new office is located at the following address:

Camden OCSE
793 California Ave
P. O. Box 580
Camden, AR 71711

The Camden OCSE may still be contacted at the following:

Phone: 870-837-1838
Fax: 870-837-1912
Email: support.camden@ocse.arkansas.gov
Office hours: 8:00 a.m.-4:30 p.m.

The Camden office serves both Cleveland and Ouachita County.

Please go to the following link where the information for this article was cited from: [Camden OCSE Address Change](#).

Calendar of Due Dates

October 21st through October 31st

10/21/13—Dyed Diesel-Motor Fuel Tax.
 10/24/13—Sales Tax (2nd monthly prepayment).
 10/25/13—Motor Fuel Tax. (Except IFTA). Severance Tax
 10/31/13—IFTA.

November

11/12/13—Sales Tax (1st monthly prepayment).
 11/14/13—Employee monthly withholding tax, for prior month.
 (EFT filers only).
 11/15/13—Employee monthly withholding tax, for prior month.
 Miscellaneous Tax (Except Severance Taxes).
 11/20/13—Dyed Diesel—Motor Fuel Tax. Sales & Use Tax.
 11/25/13—Sales Tax (2nd monthly prepayment). Motor Fuel
 Tax (Except IFTA). Severance Tax.

December

12/12/13—Sales Tax (1st monthly prepayment).
 12/13/13—Employee monthly withholding tax, for prior month
 (EFT filers only). 4th Qtr Corporation estimated income tax
 (Based on calendar year filer) (EFT filers only).
 12/16/13—Employee monthly withholding tax, for prior month.
 4th Qtr Corporation estimated income tax. (Based on calendar
 year filer). Miscellaneous Tax (Except Severance Taxes).
 12/20/13—Dyed Diesel—Motor Fuel Tax. Sales & Use Tax.
 12/26/13—Motor Fuel Tax (Except IFTA). Severance Tax.
 Sales Tax (2nd monthly prepayment).

MISCELLANEOUS TAX

Real Estate Transfer Tax Stamp Changes

The Arkansas Department of Finance and Administration (DFA) has changed the method by which the real estate transfer tax is administered. Effective September 30, 2013, the traditional self-adhesive real estate transfer tax stamps were replaced by a single 8½" x 11" stamp document. The new stamp is available for purchase through the Arkansas Taxpayer Access Point (ATAP), the online service that allows businesses and individuals to file and pay most state taxes. Title companies, banks, attorneys, and any other taxpayers dealing with real estate transactions are now able to

establish real estate transfer tax accounts which can be accessed to order, purchase, and print real estate transfer tax stamps 24 hours a day. After purchasing and printing the stamp, it is to be included with the deed for recording with the county. For taxpayers that only purchase stamps occasionally or do not have internet access, the new stamp will be available for purchase at state revenue offices. [The Affidavit of Compliance Form](#) used to document exempt real estate transactions is also available through ATAP and at state revenue offices.

Contact Info

Corporate Income Tax	501-682-4775
Taxpayer Assistance for Individual Income Tax	501-682-1110 800-882-9275
Sales and Use Tax (Tax Inquiries)	501-682-7104
Motor Fuel Tax	501-682-4880
Problem Resolution and Tax Information Office	501-682-7751
Collections	501-682-5000 501-682-4720
IRS (Taxpayer Advocate)	501-396-5978
IRS Taxpayer Assistance	800-829-1040
IRS Federal Tax Forms	800-829-3676
Revenue Legal Counsel	501-682-7030
Motor Vehicle Administration	501-682-4692
Field Audit Administration	501-682-4616
Driver Services Administration	501-682-7060
Revenue Administration	501-682-7025
Withholding Tax	501-682-7290
Miscellaneous Tax Section	501-682-7187

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The Arkansas State Revenue Tax Quarterly is a publication of the Problem Resolution and Tax Information Office. The newsletter is produced and distributed electronically to tax professionals, businesses, and organizations operating in Arkansas.

To be added or deleted from the e-mail list, contact Monica Carmichael by email at: Monica.Carmichael@dfa.arkansas.gov, or by mail at Problem Resolution and Tax Information Office, Ledbetter Building, Room 2460, P. O. Box 1272, Little Rock, Arkansas 72203-1272.

To view previous Arkansas State Revenue Tax Quarterlies, click on the following link: [Previous Arkansas State Tax Quarterlies](#).

OFFICE OF INCOME TAX ADMINISTRATION

Rule 2013-1, Standard Mileage Rates for Income Tax Purposes

Rule 2013-1 has been promulgated to coordinate with a change in the allowable federal rate.

The rule sets the optional standard mileage rates effective January 1, 2013 through December 31, 2013 as follows:

- For employees or self-employed individuals, the rate will increase by 1¢ from 55.5¢ to 56.5¢ per mile.
- For transportation expenses deductible as a medical or moving expense, the rate will increase by 1¢ from 23¢ to 24¢ per mile.
- For charitable organizations, the rate will remain at 14¢ per mile.

To read more information on this rule, please go to the Proposed Rule Section on the [DFA Rule Webpage](#).

DFA Rule Email Distribution List Sign-Up information

The Problem Resolution and Tax Information Office notifies all interested parties via email when the Revenue Section of DFA promulgates any rules.



To be added to the email distribution list, please email Monica Carmichael at: Monica.Carmichael@dfa.arkansas.gov.

Please state in the email that you would like to be added to the email distribution list to be notified about any changes to DFA's Revenue rules.

The rules (regulations) can be accessed at the following link: [Revenue Rules](#).

Arkansas Excise and Income Tax Due Date Calendar for 2013

The 2013 Arkansas Excise & Income Tax Due Date Calendar is available at the following link: [2013 Arkansas Excise & Income Tax Due Date Calendar](#).

Suggestions Corner

If you have any suggestions about items to be included on any future newsletters, please email your suggestions to Monica.Carmichael@dfa.arkansas.gov.

Upcoming State Observed Holidays

DFA Revenue offices will be closed for the following state observed holidays:

- ✚ Monday, November 11th, in observance of Veterans Day.
- ✚ Thursday, November 28th, in observance of Thanksgiving Day.
- ✚ Tuesday, December 24th, and Wednesday, December 25th in observance of the Christmas Holiday.