

# DFA Arkansas Department of Finance and Administration



Mike Beebe, Governor	Arkansas Department of Finance & Administration (DFA) Revenue Division	Richard A. Weiss, Director Tim Leathers, Deputy Director/Commissioner of Revenue
<i>Arkansas State Revenue Tax Quarterly Newsletter, Volume XX, No. 2</i>	<a href="#">ARKANSAS DFA HOMEPAGE</a>	April, May, and June 2014

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## OFFICE OF EXCISE TAX ADMINISTRATION

### Effective July 1, 2014

**The following information lists new sales tax acts that will go into effect on July 1, 2014:**

**Act 1401:** Exempts utilities used for commercial grain drying and storage. The utilities exempted are electricity, liquefied petroleum gas, and natural gas which are separately metered from a utility used for any other purpose. Eligible

purchasers will need to obtain a certificate from the Sales Tax Section to provide to the utilities in order to claim the exemption.

**Act 1402:** Exempts eligible purchases of timber harvesting equipment for state and local sales and use tax. The current exemption is limited to the first \$50,000 of the purchase price.

**Act 1404:** Establishes a partial refund of one percent (1%) of the state sales and use tax paid on the purchase of machinery and equipment or replacement parts purchased to modify, replace, or repair existing manufacturing and equipment. The refund also applies to the purchase of the labor used to install or repair the eligible equipment. In order to claim the refund, the taxpayer must obtain a direct pay permit from the Sales Tax Section and claim the refund on the monthly tax return.

**Act 1411:** Reduces the state sales and use tax rate for electricity and natural gas used in manufacturing by eligible manufacturers classified in section 31 through 33 of the North American Industry Classification System (NAICS) and eligible high efficiency generators of electric power. Cotton gins classified under NAICS code 115111 will also be eligible for the reduced rate effective July 1, 2014. The state rate for manufacturers under NAICS code section 31 through 33 and 115111 will have a state rate of 1.625% beginning July 1, 2014.

**Act 1414:** Exempts the sale of dental appliances to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist from state and local sales and use tax. A dental appliance is defined as a dental device that is made for a specific patient, including without limitation a dental implant, orthodontic appliance, retainer, crown, bridge, or denture.

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To view the previously listed sales and use tax acts in their entirety, please go to the following webpage: [Act Passed During the 2013 Regular Session](#).

## OFFICE OF EXCISE TAX ADMINISTRATION

### Special Event Promoter's Sales Tax Information

A promoter or organizer of a special event is required to register for sales tax collection with the Sales and Use Tax Section. The promoter or organizer is also required to provide each vendor special event tax reporting forms and any other information which may be required. To obtain an application for a special event promoter, reporting forms provided by the promoter or organizer to each special event vendor, and envelopes, please contact the Sales and Use Tax Section at 501-682-7104.

A special event means an entertainment, amusement, recreational, or marketing event which occurs at a single location on an irregular basis and where tangible personal property is sold. Special events include, but are not limited to, music shows and events; auto shows; boat shows; gun shows; knife shows; home shows; craft shows; flea markets; carnivals; circuses; bazaars; fairs; and art or other merchandise displays or exhibits. For more explanation on the definition of a special event, a promoter or organizer, and special events vendor, please review Arkansas Code Ann. § 26-52-518 which can be found at the following link: [Arkansas Code Ann. § 26-52-518](#).

The sales of tickets or admission fees to the event are subject to state and local sales tax. The furnishing of camping spaces is subject to the 2% Tourism Tax in addition to state and local sales tax. If tangible personal property such as tables, tablecloths, chairs, and etc. is rented to the vendors, the 1% Short Term Rental Tax must be collected in addition to the state and local sales tax. Charges for parking are also subject to state and local sales tax.

The current state sales tax rate is 6.5%. Local sales tax is also collected with the rate dependent on the location of the event. To view the local sales tax rates, please go to the following link: [City & County Tax Rates](#).

Special event vendors are required to file daily reports with the promoter or organizer and pay the daily sales tax along with their completed forms. Envelopes are provided for each vendor to enclose the form and payment each day.

Within 30 days following the event, the promoter or organizer is required to forward all the daily reports and payments collected from each vendor at the special event to the Sales and Use Tax

Section. If the promoter fails to transmit the reports and payments, the promoter will be liable for the failure to remit the taxes due which they have collected from the special event vendors. The promoter or organizer should transmit all the daily forms and payments collected from each special events vendor to the Sales and Use Tax Section in the self addressed postage paid envelope provided to them.

Information for this article was cited from the following webpage: [Special Event Promoter's Sales Tax Information](#).

If you have additional questions or concerns, please contact the Sales and Use Tax Section by mail at P. O. Box 3566, Little Rock, AR 72203-3566 or by phone at 501-682-7104.

## OFFICE OF EXCISE TAX ADMINISTRATION

### Alcohol Beverage Control (ABC) Due Date & Permit Renewal Information

On or before June 30<sup>th</sup> of each calendar year, all permits issued by the Alcohol Beverage Control (ABC) must be renewed for the following fiscal year. All taxes due to the DFA's Revenue Division must be cleared in order to renew permits.

DFA notifies the ABC of all taxpayers who are not current in the filing and payment of their tax returns, and DFA also includes taxpayers who have audit balances.

Tax payments must be made through the current reporting period with certified funds. Past due payment amounts should be mailed to P. O. Box 8054, Little Rock, AR 72203. If a taxpayer is unable to pay the full amount due, the taxpayer should contact the Sales Tax Section for additional information at 501-682-7104.

ABC permit renewals can be renewed online beginning the middle of May of each year. If you have any questions concerning online ABC permit renewals, please contact the ABC Division at 501-682-1105.

Permit renewal payments can be made with major credit cards such as Visa, MasterCard, and Discover along with eChecks.

If a person fails to renew by June 30<sup>th</sup>, he or she will be contacted by an ABC enforcement agent and ordered to cease all alcoholic beverage sales and/or service until such time as the permit is renewed.

For more information on ABC permit renewals, please click on the following link: [Arkansas Alcoholic Beverage Control Division Permit Renewal Information](#).

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## OFFICE OF EXCISE TAX ADMINISTRATION

### Aviation Sales and Use Tax Remittance Form, AV-1

The AV-1 Form is a new form for sellers and purchasers of airplanes to report sales and use tax directly to the Sales Tax Section. The tax can no longer be paid at local revenue offices.

The AV-1 Form must be completed and submitted along with the sales and use tax payment and any supporting documents directly to the Sales Tax Section.

To view an AV-Form, please click on the following link: [AV-1 Form](#).

For more information, please call the Sales and Use Tax Section at 501-682-7104.

## OFFICE OF EXCISE TAX ADMINISTRATION

### Direct Pay Permit

The Commissioner of Revenue may permit a consumer to accrue and pay the tax directly to the Commissioner instead of having such tax collected and paid by the seller.

In order to obtain a direct payment number, the consumer must show and certify the following:

- ❖ The consumer will comply with the provisions of Ark. Code Ann. §§ 26-52-101 et seq., 26-53-101 et seq., and 26-18-101 et seq.
- ❖ The consumer will faithfully report and pay all state and local taxes due to the director on or before the 20<sup>th</sup> day of the month for the previous month's taxable purchases, sales, or rentals.

The tax will be paid by a direct pay permit holder directly to the Commissioner. A retailer selling to the holder of a valid direct pay permit is not responsible for the collection of tax.

Direct pay permit holders shall accrue and pay the local tax pursuant to the sourcing rules provided in Ark. Code Ann. §§ 26-52-521, 26-52-522, and GR-76. When direct pay permit holders purchase tangible personal property or taxable services, they must accrue and pay the local tax that applies in the location where the tangible personal property or service is received.

Before a direct pay permit is issued, applicants must first register with DFA through the Arkansas Taxpayer Assistance Program (ATAP) at the following link: [ATAP](#). After registering, the supplemental application for direct pay permit authority must be completed.

To view a supplemental application for direct pay permit authority, please go to the following link: [Supplemental Application for Direct Pay Permit Authority](#). This form must be attached to the combined registration application and mailed to the following address:

**Arkansas Sales and Use Tax  
P. O. Box 3566  
Little Rock, AR 72203**

If you have received or are currently receiving InvestArk credit(s), a direct pay permit already exists for your account, and it is not necessary to re-apply.

Direct payment permits may be canceled by the Commissioner at any time whenever the Commissioner determines the person holding the permit has not complied with the provisions of this rule or the cancellation would be in the best interests of the collection of the tax. A direct pay permit holder is not entitled to any discount for prompt payment of the tax.

The information for the article was cited from the following link: [Direct Pay Permit](#). If you have any questions concerning the content of this article, please call the Sales and Use Tax Section at 501-682-7104.

# Arkansas State Revenue Tax Quarterly

## OFFICE OF INCOME TAX ADMINISTRATION

### Rule 2014-1, Standard Mileage Rates for Income Tax Purposes

Rule 2014-1 has been promulgated to coordinate with a change in the allowable federal rate.

The rule sets the optional standard mileage rates effective January 1, 2014 through December 31, 2014, as follows:

1. For employees or self-employed individuals, the rate will decrease by .5¢ from 56.5¢ to 56¢ per mile.
2. For transportation expenses deductible as medical or moving expense, the rate will decrease by .5¢ from 24¢ to 23.5¢ per mile.
3. 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](#).

## 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](mailto: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, May 21, 2014, 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 May 21st and how to set up an appointment to donate, please go to the following link: [May 2014 American Red Cross Blood Drive](#).

## 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](mailto:fieldAudit@dfa.arkansas.gov).

## OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE)

### OCSE MyWorkers Website

OFFICE OF CHILD SUPPORT ENFORCEMENT  
WEBSITE FOR EMPLOYERS

Log on to **OCSE MyWorkers**  
to have access to your online  
company information.

New!

<https://www.ark.org/MyWorkers>





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## OFFICE OF INCOME TAX ADMINISTRATION

### Credit Card Payment Information

Credit card payments may be made over the telephone for individual income tax debts by calling 1-800-2PAY-TAX (1-800-272-9829) or over the Internet by visiting [www.officialpayments.com](http://www.officialpayments.com) and clicking the "Payment Center Link".

If you need more information on making credit card payments, a link is provided in the **Webpage Link Section** of the *Arkansas State Revenue Tax Quarterly Newsletter* in every issue.

### Upcoming State Observed Holidays

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

✚ Monday, May 26<sup>th</sup>, in observance of Memorial Day.

✚ Friday, July 4<sup>th</sup>, in observance of Independence Day.

## 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](mailto: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](#).

## 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
Brookland	16-04	04/01/14	1.00	Annexation
Cherry Valley	19-01	04/01/14	0.00	Rescinded
Guy	23-07	04/01/14	1.50	Decreased
Keiser	47-02	04/01/14	2.00	Enacted
Lepanto	56-01	04/01/14	2.25	Increased
Benton	62-03	04/01/14	2.50	Increased
Barling	65-04	04/01/14	1.00	Enacted
Greenwood	65-05	04/01/14	2.00	Increased
Cave City	67-03	04/01/14	1.00	Enacted
Forrest City	68-02	04/01/14	1.875	Increased
Clay County	11-00	04/01/14	1.50	Increased
Independence County	32-00	04/01/14	1.75	Decreased
Prairie County	59-00	04/01/14	1.50	Increased

## 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](mailto:Monica.Carmichael@dfa.arkansas.gov).

# Calendar of Due Dates

## April

04/14/14—Sales Tax (1<sup>st</sup> monthly prepayment). Employee monthly withholding tax, for prior month (EFT filers only).

04/15/14—1<sup>st</sup> Qtr Corp estimated income tax (Based on calendar year filer). Miscellaneous Tax (Except Severance Taxes). Employee monthly withholding tax, for prior month. Ark income tax returns (partnership, LLC, individual). (Based on calendar year filers; return due date 3 ½ months after end of tax year). Extension Payment Voucher 5 (Individual Income Tax). 1<sup>st</sup> Qtr individual estimated income tax (Based on calendar year filer).

04/21/14—Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.  
04/24/14—Sales Tax (2<sup>nd</sup> monthly prepayment).  
04/25/14—Motor Fuel Tax (Except IFTA). Severance Tax.  
04/30/14—IFTA.

## May

05/01/14—Franchise Tax.  
05/12/14—Sales Tax (1<sup>st</sup> monthly prepayment).  
05/14/14—Employee monthly withholding tax, for prior month. (EFT filers only).

05/15/14—Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

05/20/14—Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.  
05/27/14—Sales Tax (2<sup>nd</sup> monthly prepayment). Motor Fuel Tax (Except IFTA). Severance Tax.

## June

06/12/14—Sales Tax (1<sup>st</sup> monthly prepayment).  
06/13/14—Employee monthly withholding tax, for prior month (EFT filers only).

06/16/14—2<sup>nd</sup> Qtr Corp estimated income tax (Based on calendar year filer). Employee monthly withholding tax, for prior month. 2<sup>nd</sup> Qtr Individual estimated income tax (Based on calendar year filer). Miscellaneous Tax (Except Severance Taxes).

06/20/14—Dyed Diesel—Motor Fuel Tax. Sales & Use Tax.  
06/24/14—Sales Tax (2<sup>nd</sup> monthly prepayment).  
06/25/14—Motor Fuel Tax (Except IFTA). Severance Tax.

## Through July 15<sup>th</sup>

07/14/14—Sales Tax (1<sup>st</sup> monthly prepayment). Employee monthly withholding tax, for prior month (EFT filers only).

07/15/14—Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

# Arkansas Excise and Income Tax Due Date Calendar for 2014

The 2014 Arkansas Excise & Income Tax Due Date Calendar is available at the following link: [2014 Arkansas Excise & Income Tax Due Date Calendar](#).



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](#).



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](mailto: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](#).

## HELPFUL WEBPAGE LINKS

[ARKANSAS INCOME TAX REFUND INQUIRY](#)

[AR1000F AND AR1000NR \(ARKANSAS 2013 INDIVIDUAL INCOME TAX FORMS AND INSTRUCTIONS BOOKLET\)](#)

[INDIVIDUAL INCOME TAX ACCOUNT CHANGE FORM](#)

[INDIVIDUAL INCOME TAX E-FILE](#)

[E-FILE ONLINE PROVIDERS](#)

[INDIVIDUAL INCOME TAX FILING INFORMATION AND FORMS WEBPAGE](#)

[REQUEST FOR COPY OF ARKANSAS TAX RETURNS](#)

[ELECTRONIC FILING PAYMENT OPTIONS INFORMATION](#)

[INDIVIDUAL INCOME TAX PENALTY WAIVER REQUEST](#)

[OFFERS IN COMPROMISE \(OIC\) FORMS](#)

[POWER OF ATTORNEY \(POA\) FORM](#)

[CORPORATION INCOME TAX FORMS](#)

[IRS--WHERE'S MY REFUND LINK](#)

[LOCAL TAX LOOKUP TOOLS](#)

[BUSINESS CLOSURE NOTIFICATION LIST](#)

[GENERAL REVENUE REPORT FOR FEBRUARY \(FY2014\)](#)

[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](#)

[COMPOSITE FILING AND WITHHOLDING FOR PASS THROUGH ENTITIES FORMS AND GENERAL INFORMATION](#)

[STATE TAX RATES](#)

## Contact Info

<a href="#">Corporate Income Tax</a>	501-682-4775
<a href="#">Taxpayer Assistance for Individual Income Tax</a>	501-682-1110 800-882-9275
<a href="#">Sales and Use Tax (Tax Inquiries)</a>	501-682-7104
<a href="#">Motor Fuel Tax</a>	501-682-4880
<a href="#">Problem Resolution and Tax Information Office</a>	501-682-7751
Collections	501-682-5000 501-682-4720
<a href="#">IRS (Taxpayer Advocate)</a>	501-396-5978
<a href="#">IRS Taxpayer Assistance</a>	800-829-1040
<a href="#">IRS Federal Tax Forms</a>	800-829-3676
<a href="#">Revenue Legal Counsel</a>	501-682-7030
<a href="#">Motor Vehicle Administration</a>	501-682-4692
<a href="#">Field Audit Administration</a>	501-682-4616
<a href="#">Driver Services Administration</a>	501-682-7060
<a href="#">Revenue Administration</a>	501-682-7025
<a href="#">Withholding Tax</a>	501-682-7290
<a href="#">Miscellaneous Tax Section</a>	501-682-7187
<a href="#">Tax Credits and Special Refunds</a>	501-682-7106

### DFA Revenue Personnel Changes

Gary Williams retired as Miscellaneous Tax Manager on December 31, 2013. Former Sales and Use Tax Accounts Receivable Manager, Andrew Smith, replaced Mr. Williams on March 1, 2014.