

DFA Arkansas Department of Finance and Administration



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Changes in Arkansas Taxes Enacted During the 2015 Regular Legislative Session



During the 2015 Regular Legislative Session, a number of acts affecting Arkansas revenue were enacted. Additional information concerning other acts will be discussed in future newsletters, including any new rules that may be promulgated as a result of the legislative session.

The following information lists new sales tax acts:

Act 1107: This act creates a limited direct pay permit to be issued to manufacturers eligible for the reduced tax rate on manufacturing repair parts and services. The limited direct pay permit may only be used for purchases of items eligible for the reduced rate. Contact the Sales and Use Tax Section at 501-682-7104 to apply for the permit. Effective April 6, 2015.

Act 1182: This act creates an exemption for the sale of aircraft brought into Arkansas when the seller and purchaser are both residents of another state and the aircraft will be based outside of Arkansas. Effective April 7, 2015.

Act 236: This act requires wineries, in addition to collecting state sales and use taxes and alcoholic beverage taxes, to collect city and county local sales and use taxes on direct shipments of wine from the winery to Arkansas residents. Effective July 1, 2015.

Act 691: This act provides a sales and use tax exemption for the lessee of property located at an intermodal authority on the lessee's purchases of tangible personal property and services. Effective July 22, 2015.

Act 896: This act extends the time period authorized for businesses to claim a local tax rebate on purchase invoices of business property and services exceeding \$2,500 from the current six (6) month time period to a total of twelve (12) months from the date of tax payment to the seller. Purchases made on or after October 1, 2015 will be eligible for the extended time period. Effective October 1, 2015.

Act 1125: This act provides an exemption for sand and other proppants used to complete a new oil or gas well or to re-complete, redrill, or expand an existing well. Effective October 1, 2015.

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OFFICE OF INCOME TAX ADMINISTRATION

2014 vs 2015 Individual Income Tax Filing Season Statistics

Act 1126: This act creates an exemption for the collection of solid waste for saltwater, drilling fluids, hydraulic fracturing fluids, produced water, pit water, pit mud, and similar materials produced from oil, gas, or other natural resource exploration. The landfill disposal fees will remain subject to state and local sales taxes. Effective October 1, 2015.

For additional information on other sales tax acts, please go to the following webpage: [What's New in Sales Tax in 2015?](#)

The following information lists new income tax acts:

Act 22: This act creates the Middle Class Tax Relief Act of 2015; to amend the income tax rates and brackets for individuals, trusts, and estates; to amend the income tax on capital gains. Effective February 1, 2015.

Act 399: This act creates an income tax refund check-off program for the Arkansas Game and Fish Foundation; and to eliminate the income tax refund check-off program for the United States Olympic Committee. Effective January 1, 2015.

Act 402: This act modifies the Military Family Relief Trust Fund and the Military Family Relief Check-Off Program; to provide members of the National Guard and Reserve with emergency financial assistance. Effective March 12, 2015.

Act 709: This act offsets the revenues generated by sales tax collected from out-of-state sellers by reducing the income tax rates applicable to individuals, trusts, and estates. Effective July 22, 2015.

Act 837: This act concerns the satisfaction of court-ordered restitution in a criminal case through interception of state income tax refunds. Effective July 22, 2015.

Act 891: This act creates an income tax exemption for payments from agricultural disaster programs. Effective July 22, 2015.

Act 1173: This act amends the income tax applicable to capital gains. Effective July 22, 2015.

Act 1254: This act allows a taxpayer to claim a refund or credit for an overpayment of a state tax during the same period of time that the state may assess overdue taxes. Effective July 22, 2015.

To view the previously listed sales and use and income tax acts in their entirety, please go to the following webpage: [90th Arkansas General Assembly Act Webpage](#).

The Arkansas Department of Finance and Administration (DFA) Income Tax Section has provided updated statistics showing continued growth in electronic filing of state tax returns.

As of May 31, 2015, at least 966,470 taxpayers had e-filed their state tax returns which is an increase of almost three percent compared to e-filed state tax returns as of May 31, 2014.

In contrast, paper filed state tax returns decreased from 232,936 to 205,097 for an almost 12 percent decrease.

Additionally, more taxpayers are choosing to have their tax refunds direct deposited in 2015. As of May 31, 2015, almost 481,267 tax refunds were direct deposited versus 427,908 in 2014.

For more detailed information, a graph has been provided below:

2014 vs 2015 INDIVIDUAL FILING SEASON STATISTICS
January through May

	2014	2015	% Change
Returns Processed	1,173,095	1,171,567	-0.13%
E-filed	940,159	966,470	2.80%
Paper	232,936	205,097	-11.95%
Total Refunds	824,982	834,910	1.20%
Total Amount	\$415,867,139	\$415,025,557	-0.20%
Average Refund	\$504.09	\$497.09	-1.39%
Direct Deposit Refunds	427,908	481,267	12.47%
Total Direct Deposit	\$248,027,489	\$268,650,015	8.31%
Direct Deposit Average	\$579.63	\$558.00	-3.73%

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OFFICE OF EXCISE TAX ADMINISTRATION

2015 Arkansas Sales Tax Holiday

The Arkansas sales tax holiday for clothing and school-related supplies will begin Saturday, August 1, 2015, at 12:01 a.m. and end on Sunday, August 2, 2015, at 11:59 p.m.

State and local sales tax will not be collected during this 48-hour period on the sale of (1) clothing and footwear with a sales price of less than \$100 per item; (2) clothing accessories and equipment with a sales price of less than \$50 per item; (3) school supplies; (4) school art supplies; and (5) school instructional materials.

All retailers are required to participate and may not charge tax on items that are legally tax-exempt during the Arkansas Sales Tax Holiday.

For more information about the 2015 Arkansas Sales Tax Holiday, go to the following link: [2015 Arkansas Sales Tax Holiday](#).

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 2300	Individual Income Tax
Room 2350	Motor Fuel Tax
Room 2360	Hearings and Appeals
Room 2370	Tax Credits/Special Refunds
Room 2380	Revenue Legal Counsel
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, August 19, 2015, from 8:30 a.m. to 1:30 p.m., in

Room 2020 in the Ragland Building.

For more information concerning the August 19th American Red Cross Blood Drive and how to set up an appointment to donate, please go to the following link: [August 2015 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.

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OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE)

OCSE MyWorkers Website



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 and clicking the "Payment Center Link".

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

Important: Upcoming State Sales Tax Changes in Arkansas

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

Name	Effective Date	%	Recent Action
State Manufacturing Utility Tax	07/01/2015	0.625%	Decreased
Long Term Rental Vehicle Tax	07/01/2015	0.000%	Rescinded

OFFICE OF EXCISE TAX ADMINISTRATION

Long Term Vehicle Leasing Tax

Effective June 30, 2015, the one and one-half percent (1.5%) Long Term Vehicle Leasing Tax will expire. The tax is no longer to be collected on the lease of motor vehicles for periods of 30 days or more.

The rate decrease applies to all bills rendered on or after July 1, 2015 which includes all existing long term motor vehicle leases and long term motor vehicle leases initiated after the expiration date.

State and local sales and use taxes will continue to be collected on monthly long term lease payments.

For more information, please contact the Sales Tax Section at 501-682-7104.

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
El Dorado	70-02	7/01/2015	0.25	Decreased
Fort Smith	65-01	7/01/2015	2.00	Annexation
Green Forest	08-03	7/01/2015	2.25	Annexation
Manila	47-13	7/01/2015	1.25	Decreased
Moorefield	32-05	7/01/2015	2.00	Enacted
Vilonia	23-04	7/01/2015	2.50	Annexation
Ouachita County	52-00	7/01/2015	3.00	Increased

Calendar of Due Dates

July

7/20/15—Sales and Use Tax.
7/22/15—Dyed Diesel—Motor Fuel Tax
7/24/15—Sales Tax (2nd monthly prepayment).
7/25/15—Motor Fuel Tax (Except IFTA). Severance Tax
7/31/15—IFTA.

August

8/12/15—Sales Tax (1st monthly prepayment).
8/17/15—Employee monthly withholding tax, for prior month.
8/20/15—Dyed Diesel—Motor Fuel Tax. Sales & Use Tax.

8/24/15—Sales Tax (2nd monthly prepayment).
8/26/15—Motor Fuel Tax (Except IFTA). Severance Tax.

September

9/14/15—Sales Tax (1st monthly prepayment).
9/15/15— Employee monthly withholding tax, for prior month.
3rd Qtr estimated income tax (Based on calendar year filer)
(EFT filers only) Ark income tax returns (Cooperative association)
(Based on calendar year filers; return due date 8 ½ months after
end of tax year) 3rd Qtr estimated income tax (based on calendar
year filer) Miscellaneous Tax (Except Severance Taxes,
Wheat, Soybean, Wine-Small Farm, and Waste Tire).

9/20/15—Dyed Diesel—Motor Fuel Tax.
9/21/15—Sales & Use Tax.
9/24/15—Sales Tax (2nd monthly prepayment).
9/25/15—Motor Fuel Tax (Except IFTA). Severance Tax.

Through October 15th

10/13/15—Sales Tax (1st monthly prepayment).
10/15/15—Employee monthly withholding tax, for prior month.
Miscellaneous Tax (Except Severance Taxes, Wheat,
Soybean, Wine-Small Farm, and Waste Tire).

Arkansas Excise and Income Tax Due Date Calendar for 2015

The 2015 Arkansas Excise & Income Tax Due Date Calendar is available at the following link: [2015 Arkansas Excise & Income Tax Due Date Calendar](#).



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.
- ❖ File an annual reconciliation for withholding tax.
- ❖ Change a name on an account.
- ❖ Change an address on an account.
- ❖ Amend a return.
- ❖ Maintain all tax account types via a single login.
- ❖ Assign 3rd party logins (CPA, power of attorney, responsible party, & etc.).

- ❖ Store banking information for use during payment submission.
- ❖ Upload w-2 information.
- ❖ 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](#).

HELPFUL WEBPAGE LINKS

[INDIVIDUAL INCOME TAX ACCOUNT CHANGE FORM](#)

[INDIVIDUAL INCOME TAX E-FILE](#)

[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 AND INSTRUCTIONS](#)

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

[LOCAL TAX LOOKUP TOOLS](#)

[BUSINESS CLOSURE NOTIFICATION LIST](#)

[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](#)

[CLAIM FOR LOW INCOME SALES OF ELECTRICITY, E-416](#)

[MANUFACTURER OF ELECTRICITY UTILITY REDUCED RATE APPLICATION, ET-186 A](#)

[MANUFACTURER OF ELECTRICITY UTILITY REDUCED TAX REFUND REQUEST, ET-186 R](#)

[MANUFACTURING REDUCED RATE APPLICATION/RECERTIFICATION, ET-185ARC](#)

[MANUFACTURING UTILITY REDUCED TAX REFUND REQUEST, ET-185R](#)

[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

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
Tax Credits and Special Refunds	501-682-7106

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OFFICE OF INCOME TAX ADMINISTRATION

Where's My Refund?

WHERE'S MY REFUND

Where's My Refund?

To make an inquiry on your Individual Income Tax refund status, you'll need to provide the following information as shown on your return:

- The social security number of the primary filer, shown as Your Social Security number on AR1000 or IRS Individual Taxpayer Identification Number.
- The refund Amount expected from your AR1000.

Electronically filed refunds will generally be processed within 10 days of the time the acknowledgement is posted by the state. Please allow 6 weeks for your paper return to process. (Note: If your return is mailed back to you requesting a signature or additional information, or you are sent a letter requesting additional information, processing time begins after the state receives your additional information.)

Social Security Number:

Expected Refund Amount:

Submit

It is a violation of State Law to make an inquiry or attempt to obtain information on another taxpayer.

For access to the *Where's My Refund?* webpage, please go DFA homepage found at the following link: [DFA Homepage](#).

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 of any changes to DFA's Revenue rules.

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



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](#).

Upcoming State Observed Holidays

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

- ✚ Friday, July 3rd, in observance of Independence Day.
- ✚ Monday, September 7th, in observance of Labor Day.

To view more upcoming state observed holidays, please go to following link: [2015 State Observed Holidays](#).

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.