

DFA Arkansas Department of Finance and Administration



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Arkansas State Revenue Tax Quarterly Newsletter, Volume XXVI, Qtr. No. 1	ARKANSAS DFA HOMEPAGE	January, February, March 2020

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OFFICE OF EXCISE ADMINISTRATION

Withholding Tax Section

Beginning January 1, 2020, the Employer's Income Tax Withholding Tax Tables have been adjusted with an effective date of March 1, 2020 as a result of Income Tax reductions enacted by the General Assembly. The new tax tables, instructions and computer formula can be found on the Department's web site at: [Withholding Tax](#)

The tables and computer formula should be used for all payroll periods ending on or after March 1, 2020. The change in the tax table will reduce the amount of State Withholding from an employee's paycheck. If an employee wants to remain at their current level of Withholding, a new Employee's Withholding Exemption Certificate (form AR-4EC) should be completed and submitted to the employer. To change the employee's withholding amount, complete Line #4 on the AR-4EC by entering a dollar amount the employee would like withheld in addition to the tax amount already being withheld.

For more information, please contact the Withholding Tax Section at 501-682-7290 or by email at Withholding@dfa.arkansas.gov

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OFFICE OF INCOME TAX ADMINISTRATION

Income Tax Update

Explanation of Tax Adjustment Letter

The primary purpose of the Explanation of Tax Adjustment letter is to inform the taxpayer that an adjustment has been made to his/her tax return and a summary of the return after adjustments have been made. It does not include any payments made with or after the return was processed. Payments will be reflected on the Notice of Proposed Assessment letter or a Notice of Final Assessment letter.

Additionally, there is a statement below the summary that explains the adjustment, such as "Error in amount claimed as estimated tax paid or credit carried forward from previous tax year". Adjustments could be made for several reasons such as a math error, an error in calculating estimated payments or credit brought forward, a disallowance of a deduction or credit, or an adjustment made due to an IRS audit.

At the bottom of the Explanation of Tax Adjustment letter is a note explaining the adjustment letter is not a bill. Below is the note that is included in all Adjustment letters. Please note the items in bold. **THIS IS NOT A BILL**

Payments submitted with your return are not included in the Total Payments show above. If these adjustments result in any additional tax liability, you will receive a Notice of Proposed Assessment which will show all previous payments, any balance due for tax, interest and penalty, and will include a payment voucher. Any credit or refund will be reduced by outstanding balances on your account.

The Explanation of Tax Adjustment Letter is meant to be read in its entirety to ensure the taxpayer understands the status of his or her tax return and the purpose of the letter. Should the taxpayer have additional questions concerning this letter or any correspondence received from the tax department there is a person's name and contact information at the bottom of all correspondence. I would encourage the taxpayer to call (501) 682-1000 if there is any confusion.

OFFICE OF MOTOR VEHICLE ADMINISTRATION

Motor Vehicle Services

ACT 733 of 2019: Arkansas will begin Titling **NEW** boats in January 2020. This will only effect **NEW** boats registered with Manufactured Statement of Origin and Manufactured in 2020. Effective: January 1, 2020

The Office of Motor Vehicle, the Office of Driver Services and the International Registration Plan (IRP) Office, are offering services online. All these services are available on the Department of Finance and Administration (DFA's) website at: mydmv.arkansas.gov

Check Title Status Online – This service will help taxpayers to check the status of their application for title.

Transfer Ownership – This service will help taxpayers to notify the Office of Motor Vehicles (OMV) if they have sold their vehicle to another individual or to a dealer.

Print Duplicate Registration – This service will help taxpayers to print a duplicate registration online.

Estimated Sales Tax Calculator – This service will allow taxpayers to calculate how much state tax they will owe for a vehicle before registration.

Online Pre-Registration – This service will allow taxpayers to input specific Motor Vehicle details and receive a confirmation code for submission. The taxpayer should present the confirmation code and necessary documents to their local State Revenue Office clerk to complete the transaction with minimal data input.

Vehicle Registration - This service will allow taxpayers to register their vehicle online and "SKIP THE TRIP" to their local revenue office. User will enter Motor Vehicle details, pay sales tax, mail documents and obtain a confirmation code. The plate and registration will be mailed once documents have been received, reviewed and approved.



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.

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Office of Motor Fuel Tax

Tax Act Update

Effective October 1, 2019 there is a wholesale sales tax on motor fuel for an additional 3 cents on gasoline and 6 cents per gallon on diesel. Act 416 was passed in the 92nd General Assembly Regular Session of 2019. This Act will increase the overall tax rate for Motor Fuel to 24.5 cents a gallon for gasoline and 28.5 cents a gallon for diesel.



(REAL ID Driver's License)

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.



(REAL ID Identification Card)

OFFICE OF DRIVER SERVICES

Services and Updates

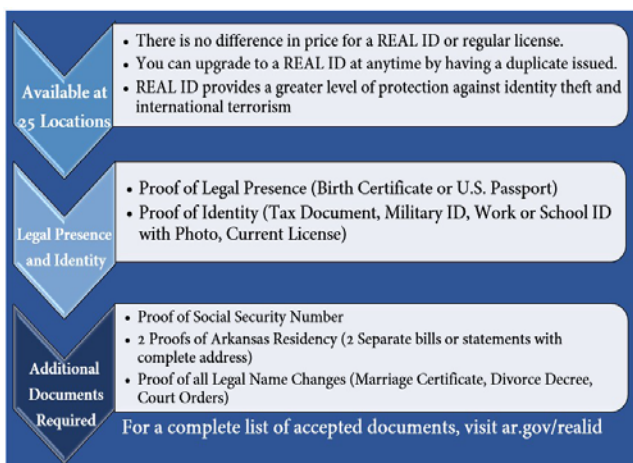
Arkansas is taking part in the federal nationwide initiative to improve the security of state-issued driver's licenses and identification cards, which will help fight terrorism and reduce identity fraud. On October 1, 2020, anyone who boards a domestic flight or enters a federal building will either need a REAL ID driver's license (DL) or Identification Card (ID) or will need to provide a regular identification and additional accepted forms of identification.

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REAL ID Information Cards



(Front of Card)



(Back of Card)

For more information on [REAL ID](#) click the link.

Effective February 1, 2020 All 134 State Revenue Offices will have the ability to issue a Real ID.

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 2370 Tax Credits/Special Refunds
- Room 2380 Revenue Legal Counsel
- Room 2460 Problems Resolution & Tax Information Office

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.

Arkansas State Revenue Tax Quarterly

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](#)

City or County Name	Code	Effective Date	%	Recent Action
Bentonville	04-03	01/1/2020	2.00	Annexation
Highfill	04-16	01/1/2020	2.00	Annexation
Arkadelphia	10-02	01/1/2020	2.00	Increase
Mayflower	23-02	01/1/2020	2.50	Increased
Wiederkehr Village	24-03	01/1/2020	1.00	Annexation
Ozark	24-07	01/1/2020	2.00	Annexation
Hot Springs	26-01	01/1/2020	1.50	Annexation
Benton	62-03	01/1/2020	2.50	Annexation
Springdale	72-10	01/1/2020	2.00	Annexation
Drew County	22-00	01/1/2020	1.250	Decreased
Little River County	41-00	01/1/2020	2.875	Increased
Poinsett County	56-00	01/1/2020	1.75	Increased

Calendar of Due Dates

January

01/13/20 Sales Tax (1st monthly prepayment)
01/15/20 4th Qtr. Individual estimated income tax (Based on calendar year filer) Employee monthly withholding tax, for previous month
01/15/20 Miscellaneous Tax (Except Severance taxes, Wheat, Soybean, Wine-Small Farm and Waste Tire) Beer, Liquor, Soft Drink, Cigarette Excise, Cigarette Papers, Construction Surcharge, Telecommunications Surcharge, Beef Promotions, Catfish Promotions Corn/Sorghum, Promotion, Bovine/Pseudorabies Fee, Bingo Tax, Paid Fantasy Gaming
01/20/20 Sales & Use Tax, monthly report for previous month
Miscellaneous Tax - Wheat, Waste Tire, Electronic Games of Skill, Wine-Small Farm, Dyed Diesel - Motor Fuel Tax
01/24/20 Sales Tax (2nd monthly prepayment)
01/27/20 Motor Fuel Tax (Except IFTA)
Severance Tax
01/31/20 Soybean Promotion

Employee withholding tax return for prior year (Annual filers) W2's and 1099's
IFTA - 4th Quarter 2019 return

February

02/12/20 Sales Tax (1st monthly prepayment)
02/17/20 Employee monthly withholding tax, for previous month
Miscellaneous Tax (Except Severance taxes, Wheat, Soybean, Wine-Small Farm and Waste Tire) Beer, Liquor, Soft Drink, Cigarette Excise, Cigarette Papers, Construction Surcharge, Telecommunications Surcharge, Beef Promotions, Catfish Promotions Corn/Sorghum, Promotion, Bovine/Pseudorabies Fee, Bingo Tax, Rice Promotion
02/18/20 Employee monthly withholding tax, for previous month
02/20/20 Miscellaneous Tax - Wheat, Waste Tire, Electronic Games of Skill, Wine-Small Farm, Other Tobacco Products, Paid Fantasy Sports, Casino Gaming, Carwash Water Usage. Sales & Use Tax, monthly report for previous month
Dyed Diesel - Motor Fuel Tax
02/24/20 Sales Tax (2nd monthly prepayment)
02/25/20 Motor Fuel Tax (Except IFTA)
02/27/20 Severance Tax
02/28/20 Employer's annual reconciliation of income tax withheld for (Monthly filers)
Miscellaneous Tax-Soybean Promotion

March

03/12/20 Sales Tax (1st monthly prepayment)
03/16/20 Employee monthly withholding tax, for previous month Withholding Tax - Pass through entity return due
Miscellaneous Tax (except Severance taxes, Wheat, Soybean, Wine-Small and Waste Tire) Beer, Liquor, Soft Drink, Cigarette Excise, Cigarette Papers, Construction Corn/Sorghum, Promotion, Bovine/Pseudorabies Fee, Bingo Tax, Rice Promotion

03/20/19 Sales & Use Tax, (monthly report for previous month)
Dyed Diesel - Motor Fuel Tax
Miscellaneous Tax - Wheat, Waste Tire, Electronic Games of Skill, Wine-Small Farm, Oil, Other Tobacco Products, Paid Fantasy Sports, Casino Gaming
03/24/20 Sales Tax (2nd monthly prepayment)
03/25/20 Severance Tax
Motor Fuel Tax (Except IFTA)
03/31/20 Miscellaneous Tax-Soybean Promotion

[Calendar Due Dates for 2020](#)



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.

- ❖ Certify Tax Credits Payroll, Expenditures and/or Tax Back Refund request.

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

HELPFUL WEBPAGE LINKS

[INDIVIDUAL INCOME TAX NAME AND ADDRESS 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](#)

[REQUEST FOR TITLE WITH BENEFICIARY](#)

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

[STATE TAX RATES](#)

Arkansas State Revenue Tax Quarterly

Contact Info

Corporate Income Tax	501-682-4775
Taxpayer Assistance for Individual Income Tax	501-682-1100 800-882-9275
Sales and Use Tax (Tax Inquiries)	501-682-7104
Motor Fuel Tax	501-682-4800
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	844-545-5640
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	501-371-5581
Revenue Administration	501-682-7000
Withholding Tax	501-682-7290
Miscellaneous Tax Section	501-682-7187
Tax Credits and Special Refunds	501-682-7106

DFA REVENUE



DFA/Revenue Division is sponsoring a Blood Drive with the Arkansas Blood Institute on Tuesday,

February 11, 2020, from 9:00 a.m. to 12:30 p.m., in Room 2020 in the Ragland Building.

FYI: Food trucks are now periodically serving food on the corner of 7th and Marshall Streets, in between the Ledbetter and Justice buildings. The food trucks are usually scheduled to arrive between 10:30 am to 1:30 pm, Monday-Friday.

AARP TAX PREP:

AARP is offering Free tax preparation for taxpayers!!!

When: January 27, 2020 to April 15, 2020

Monday - Wednesday

9:00 a.m. - 2:00 p.m. (Must sign in by 1:00 p.m.)

Where: AR Revenue Office – DFA, Ledbetter Building, 1816 W. 7th St., Little Rock, AR, Ground Floor, Room B450.

What to bring:

- Photo ID (DL, Military, State issued ID)
- All Original SS Cards (Not Copies), this includes SS Cards for any dependents claimed.
- Last Year's Tax Returns (Federal & State for 2018 Tax Year)

If filing joint, both taxpayers will need to come.

For more information on AARP tax prep services and locations copy and paste the link below:

<https://secure.aarp.org/applications/VMISLocator/searchTaxAideLocations.action>

Arkansas State Revenue Tax Quarterly



The Arkansas State Revenue Tax Quarterly is a publication of the Problems 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 Brandon Smith by email at: Brandon.Smith@dfa.arkansas.gov, or by mail at Problems 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](#).

DFA Revenue Rules are listed in the newsletter and updated on the DFA website.

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

Upcoming State Observed Holidays

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

- Monday, February 17th in observance of Daisy Gatson Bates Day and George Washington's Birthday.

Suggestions Corner

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