



Arkansas State Revenue Tax Quarterly

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Volume XV, No. 3

July, August, and September 2009

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Changes in Arkansas Taxes Enacted During the Regular Session of 2009



During the 2009 Legislative Session, a number of acts that affect Arkansas' revenue were enacted. The following information lists additional acts

that weren't included in the previous newsletter. The following is a partial list of acts that were enacted:

Act 682: An Act To Repeal The Requirement That A Decal Be Affixed To Heavy Equipment To Prove That Arkansas Tax Was Paid On The Equipment Or That The Equipment Is Exempt From Tax; To Amend The Method In Which Sellers Report Taxable And Exempt Sales Of

Heavy Equipment; And For Other Purposes.

This Act removes the requirement for heavy equipment decals to be placed on heavy equipment at the time of the sale. Dealers selling heavy equipment are required to file a quarterly report with DFA identifying sales of heavy equipment that have been exempted from the sales tax. This Act will be effective October 1, 2009.

Act 941: An Act To Provide A Credit Or Rebate On The Local Sales And Use Tax Paid Above Two Thousand Five Hundred Dollars (\$2,500) On The Purchase Of A Trailer; And For Other Purposes.

This Act adds travel trailers required to be licensed for highway use to the single transaction definition and it allows the purchaser to claim the rebate at the time of registration. This Act will be effective October 1, 2009.

Act 1205: An Act To Clarify That The Sale Of Raw Products At A Farmers' Market Where The Raw Products Are Produced and Sold By The Producer Are Exempted From The Gross Receipts Tax; And For Other Purposes.

Act 1205 went into effect on April 7, 2009. This Act provides an exemption from sales tax on the sale of raw products from a farm,

orchard, or garden that are produced and sold by the producer at a farmer's market, including, without limitation, cut or dried flowers, plants, vegetables, fruits, nuts, and herbs. The farmer's market must be comprised of one or more producers of raw farm products; operated seasonally; and held out of doors or in a public place.

Act 1208: An Act To Clarify That Partial Replacement Of A Mold Or Die To Determine The Physical Characteristics Of A Product, Are Exempt From The Sales and Use Tax; And For Other Purposes.

Act 1208 went into effect on April 7, 2009. This Act adds clarifying language to the definition of manufacturing machinery and equipment that is subject to the sales tax exemption.

The definition of molds has language added to include frames, cavities and forms that determine the physical characteristics of the finished product or its packaging material at any stage of the manufacturing process; and dies, tools, and devices attached to or a part of a unit of machinery that determine the physical characteristics of the finished product or its packaging materials at any stage of the manufacturing process.

The definition of testing equipment has been amended to include testing equipment which measures the quality of the finished product at any stage of the manufacturing process.

Act 1500: An Act To Help Reduce Cigarette Litter In Arkansas By Providing An Income Tax Credit For A Business That Purchases A Cigarette Receptacle; And For Other Purposes.

A business may take an income tax credit equal to 20% of the purchase price of a cigarette receptacle which disposes of

cigarette litter such as cigarette butts and ash. The credit shall not exceed the amount of income tax due and any unused credit may be carried forward for three consecutive years. This Act applies to a business with 50 or fewer employees. A taxpayer may claim a credit one time and only for one receptacle.



The law is effective if the Chief Fiscal Officer of Arkansas certifies that additional funding has been provided to state general revenues from other funding sources and is available for use during fiscal year 2010 in an amount sufficient to replace the general revenue reduction for the fiscal year 2010 that would result from the allowance of this income tax credit.

The contingencies were not met for the period of July 1, 2009 to June 30, 2010. The contingency will be evaluated again next year to determine if a qualifying business



who purchases a cigarette receptacle during the 2011 fiscal year is eligible to receive the

credit.

For additional information on sales tax, please visit Arkansas DFA's webpage at <http://www.arkansas.gov/dfa>. Click on the Sales and Use Tax link located under "Most Requested Links".

To view the previously listed acts in their entirety, please go to the following webpage: <http://www.arkleg.state.ar.us/>

MOTOR FUEL TAX SECTION

New Online Reporting System for Arkansas International Fuel Tax Agreement (IFTA) Carriers



Effective June 22, 2009, the Motor Fuel Tax Section will be launching a new online reporting system for the Arkansas based Inter-

national Fuel Tax Agreement (IFTA) carriers. Currently, the carriers are able to calculate their quarterly IFTA tax return online, but they have to print and mail the return with payment, if additional tax was due.

The new online reporting system will allow the carriers to do the following:

- Update their account information.
- Renew their IFTA annual decals.
- Order additional or replacement IFTA decals.
- Reprint their IFTA license.
- Calculate and file their quarterly IFTA tax returns online.
- Pay their IFTA taxes online by credit card or E-check.

Carriers will be able to access the new on-line system www.ar-tax.org. Click on the Motor Fuel line, then on the next web page, look in the middle of the page for on-line filing. Usernames and passwords will be mailed to all active 2009 IFTA carriers.

NOTICE: NEW IFTA ONLINE REPORTING SYSTEM

BOOKMARK THESE DFA WEBPAGE LINKS



DFA Homepage Link:

<http://www.arkansas.gov/dfa/>

Income Tax Administration:

http://www.arkansas.gov/dfa/income_tax/tax_agency.html

DFA Forms:

http://www.arkansas.gov/dfa/dfa_forms.html

*Sales Tax and Withholding Online filing
Unemployment Online filing,
IFTA online filing*

Corporation Franchise tax online filing
<http://www.ar-tax.org>

Sales and Use Tax Forms:

http://www.arkansas.gov/dfa/excise_tax_v2/et_su_forms.html

Streamlined Sales Tax Registration:

<http://streamlinedsalestax.org/Registration%20Info/Registration.html>

Revenue Rules:

http://www.arkansas.gov/dfa/rules/dfa_revenuerules.html

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.

Contact Info

Telephone Information



Corporate Income Tax	(501) 682-4775
Taxpayer Assistance for Individual Income Tax	(501) 682-1100 1-800-882-9275
Automated Refund Inquiry & Tele-tax Information	(501) 682-0200 1-800-438-1992
Sales and Use Tax	501-682-1895
Problem Resolution and Tax Information Office	501-682-7751
Collections	501-682-5000 501-682-4720
Revenue Legal Counsel	501-682-7030
Motor Vehicle Administration	501-682-4630
Driver Services Administration	501-682-7060
Revenue Administration	501-682-7087
Field Audit Administration	501-682-4616
IRS Taxpayer Assistance/Refund Information	800-829-1040
IRS Federal Tax Forms	800-829-3676
IRS (Taxpayer Advocate)	501-396-5978
Withholding (Income Tax)	501-682-7290
Miscellaneous Tax Section	501-682-7187

Calendar of Due Dates



July 20th through July 31st

7/20/09-Dyed Diesel - Motor Fuel Tax. Sales & Use Tax.
7/24/09-Sales Tax (2nd monthly prepayment).
7/27/09-Motor Fuel Tax (Except IFTA). Severance Tax.
7/31/09-IFTA.

August

8/12/09 - Sales tax (1st monthly prepayment).
8/14/09 - Employee monthly withholding tax, for prior month (EFT filers only).

8/17/09 - Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

8/20/09 - Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
8/24/09 - Sales Tax (2nd monthly prepayment).
8/25/09 - Motor Fuel Tax (Except IFTA). Severance Tax.

September

9/14/09 - Sales Tax (1st monthly prepayment). Employee monthly withholding tax, for prior month (EFT filers only).

9/15/09 - Employee monthly withholding tax, for prior month. 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. Miscellaneous Tax (Except Severance taxes).

9/21/09-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
9/24/09- Sales Tax (2nd monthly prepayment).
9/25/09-Motor Fuel Tax (Except IFTA). Severance Tax.

Through October 15th

10/13/09 - Sales Tax (1st monthly prepayment).
10/14/09 - Employee monthly withholding tax, for prior month (EFT filers only).

10/15/09 - Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

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:

http://www.arkansas.gov/dfa/excise_tax_v2/et_su_local.html

Name	Code	Effective Date	%	Recent Action
Bald Knob	73-17	7/01/09	2.500	Decrease
Batesville	32-01	7/01/09	1.125	Increase
Blytheville	47-05	7/01/09	1.250	Increase
Gravette	04-07	7/01/09	1.250	Decrease
Greenland	72-06	7/01/09	2.000	Increase
Manila	47-13	7/01/09	0.750	Decrease
Prescott	50-01	7/01/09	1.000	Decrease
Pyatt	45-03	7/01/09	0.500	Enacted
Bradley County	06-00	7/01/09	2.000	Increase
Jefferson County	35-00	7/01/09	1.250	Decrease

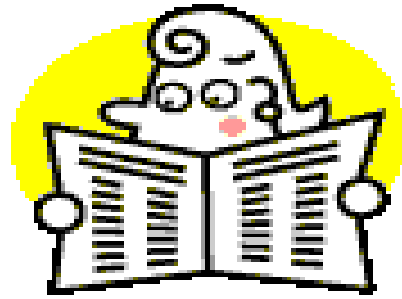


The Arkansas State Revenue Tax Quarterly is a publication of the Problem Resolution and Tax Information Office. The newsletter is produced and distributed electronically to tax professionals, businesses, and organizations operating in Arkansas. To be added or deleted from the e-mail list, contact Monica Carmichael by email at Monica.Carmichael@dfa.arkansas.gov, or by mail at Problem Resolution and Tax Information Office, Ledbetter Building, Room 2460, 1800 W. Seventh Street, P. O. Box 1272, Little Rock, Arkansas 72203-1272.

Date Calendar for 2009

The Arkansas Excise and Income Tax Due Date Calendar for 2009 is now available on the Arkansas DFA website. To view the entire calendar, click on the following link:

http://www.arkansas.gov/dfa/documents/calendar_2009.pdf



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 on the first page of the Arkansas DFA webpage located in the "Most Requested Links" section:

www.arkansas.gov/dfa