



STATE OF ARKANSAS
DEPARTMENT OF
FINANCE AND
ADMINISTRATION

REVENUE DIVISION

Miscellaneous Tax

P. O. Box 896
1816 W. 7th Street, Room 2340
Little Rock, Arkansas 72203
Phone: 501-682-7187
FAX: 501-682-1103
www.dfa.arkansas.gov

NOTICE TO VENDING MACHINE OPERATORS

Act 928 of the 1997 session of the General Assembly changed the tax reporting requirements for vending machine operators. Vending Machine Operators must choose one of the methods listed below for operating vending devices in Arkansas. The provisions of this act will be subject to the provisions of the Arkansas Tax Procedure Act, AR Code Ann. §26-18-101.

OPTION 1: I elect to pay Arkansas Sales and/or Use Tax to the supplier of all merchandise that will be sold through the vending machines. Food sold through a vending machine can qualify for taxation at the Reduced Food Tax rate (see Rule 2007-3). No Sales/Use Tax permit is required if Option 1 is chosen.

After the opening of a Vending account, fiscal year decals are issued and placed on vending machines by the taxpayer. Prior to the beginning of each new fiscal year, a decal order form is mailed out to all Vending accounts. There are no fees for the annual Option 1 decals.

OPTION 2: I elect to report/pay the 7% Wholesale Vending Tax (see Rule 1995-2) each month on the merchandise to be sold through the vending machines. Merchandise is purchased tax free under the sale for resale exemption. A \$50.00 Sales/Use Tax Permit is required. The taxpayer is required to file a monthly ET-1 Excise Tax Report and pay the appropriate tax.

After the opening of a Vending account, fiscal year decals are issued and placed on vending machines by the taxpayer. Prior to the beginning of each new fiscal year, a decal order form is mailed out to all Vending accounts. There are no fees for the annual Option 2 decals.

OPTION 3: I elect to pay the decal fees provided by Act 928 of 1997 in lieu of paying sales taxes. A \$50.00 Sales/Use Tax Permit is required. The taxpayer is required to file a monthly ET-1 Excise Tax Report.

After opening of a Vending account, fiscal year decals are purchased, issued, and placed on vending machines by the taxpayer. The vending machine operator purchases Option 3 decals based on various factors – manual verses electric vending equipment, value of the vended goods, and bulk verses individually vended goods. Prior to the beginning of each new fiscal year, a decal order form is mailed out to all Vending accounts.

Circle the OPTION you desire to operate under, enter your Sales Tax account ID, sign/date this form, and indicate the approximate number of vending machines owned and operated by you. Act 928 of 1997 Section (e) requires that you obtain an annual decal from the Department and affix to each vending device in a prominent place so as to identify the owner/operator of the vending device.

An operator who places a vending device in use without a valid vending decal or an identifying decal as required by Sections 4 and 6 of Act 928 of 1997, shall be liable for the decal fee applicable plus any penalty assessed by this Act.

Signature of Owner/Operator Date Sales Tax Permit Number Number of Machines

Please return this election form to the address listed above.