

Sales Tax for 2016

The Arkansas Department of Finance and Administration would like to remind you about the new Arkansas Taxpayer Access Point (ATAP). ATAP is a web-based service that gives taxpayers, or their designated representative, online access to their tax accounts and related information. ATAP is available for most taxes administered by the Revenue Division. If you are not currently using ATAP, go to atap.arkansas.gov to sign up and learn about the services available.

ATAP operates in a secure environment where you will set your password and account access information, and only you can update or change this information. Arkansas taxpayers will be provided with secure access to their tax accounts 24 hours a day, seven days a week, and will afford users the ability to perform the following functions:

- File and amend returns*
- Make payments
- Change name and address
- View correspondence
- View payments submitted
- View recent account activity
- View tax period financial information (tax, penalty, interest, credits, balance, etc.)
- Store banking information for use during payment submission
- Register for additional tax types
- Maintain all tax account types via a single login
- Assign 3rd party logins (CPA, power of attorney, responsible party, etc.)
- File a return using XML return upload for selected taxes
- File an Annual Reconciliation for Withholding Tax
- Upload W-2 information

*Individual Income Tax returns are not available to File or Amend on ATAP at this time

ET-1 ARKANSAS EXCISE TAX RETURN INSTRUCTIONS

Form ET-1 is used to report all state and local taxes levied under the Gross Receipts (Sales) Tax and Compensating Use Tax Acts. **ALL FIGURES ON THIS REPORT ARE TO BE ROUNDED TO THE NEAREST WHOLE DOLLAR.** If the cents amount is 49¢ or less, the cents are dropped. Example, \$10.47 would be \$10.00. If the cents is 50¢ or more, round up to the next dollar. Example, \$11.56 would be \$12.00.

Please use blue or black ink in completing the form. Do not use pencil.

Gross Receipts Tax

This section of the reporting form is used to report all sales by **In-State Sellers**.

State Tax

- Line 1A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 1C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 6.5%. Enter amount here.
Line 1D 2% Discount - Multiply Line 1C by 2% (.02) and enter amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. The discount for state taxes (Lines 1D, 2D, 3D, and 4D) cannot exceed \$1000.
Line 1E Tourism Credit - Enter the amount of Tourism Credit if applicable on this line.
Line 1F Net Tax Due - Subtract any amounts shown on line 1D and 1E from the amount on line 1C. Enter the difference on this line.

Food Tax

- Line 2A** Taxable Sales – (Food & Food Ingredients) Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 2C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 1.5%. Enter the amount here.
Line 2D 2% Discount - Multiply Line 2C by 2% (.02) and enter here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. The discount for state taxes (Lines 1D, 2D, 3D, and 4D) cannot exceed \$1000.
Line 2E Tourism Credit - Enter the amount of Tourism Credit if applicable here.
Line 2F Net Tax Due - Subtract any amounts shown on line 2D and 2E from the amount on line 2C. Enter the difference here.

Mfg. Utility Tax

- Line 3A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 3C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 0.625%. Enter amount here.
Line 3D 2% Discount - Multiply Line 3C by 2% (.02) and enter amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. The discount for state taxes (Lines 1D, 2D, 3D, and 4D) cannot exceed \$1000.
Line 3F Net Tax Due - Subtract any amounts shown on line 3D from the amount on line 3C. Enter the difference here.

Aviation Tax

- Line 4A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 4C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 6.5%. Enter amount here.
Line 4D 2% Discount - Multiply Line 4C by 2% (.02) and enter amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. The discount for state taxes (Lines 1D, 2D, 3D, and 4D) cannot exceed \$1000.
Line 4F Net Tax Due - Subtract any amounts shown on line 4D from the amount on line 4C. Enter the difference here.

Vendor Use Tax

This section of the reporting form is used to report all sales by **Out-Of-State Sellers** selling into the State of Arkansas.

State Tax

Line 5A Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 5C Gross Tax Due - Multiply Line 5A by 6.5% and enter amount here.

Food Tax

Line 6A Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 6C Gross Tax Due - Multiply Line 6A by 1.5% and enter amount here.

Mfg. Utility Tax

Line 7A Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 7C Gross Tax Due - Multiply Line 7A by 0.625% and enter amount here.

Aviation Tax

Line 8A Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 8C Gross Tax Due - Multiply Line 8A by 6.5% and enter amount here.

Consumer Use Tax

This section of the reporting form is used to report all taxable purchases by all taxpayers. Taxable purchases are purchases from out-of-state which are for use, storage, consumption, or distribution in Arkansas during a reporting period.

State Tax

Line 9A Taxable Purchases - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 9C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 6.5%. Enter amount here.

Line 9D Economic Dev Credit - Enter the amount of Economic Dev Credit if applicable on this line.

Line 9E Net Tax Due - Subtract any amounts shown on line 9D from the amount on line 9C. Enter the difference.

Food Tax

Line 10A Taxable Purchases - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 10C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 1.5%. Enter amount here.

Line 10D Economic Dev Credit - Enter the amount of Economic Dev Credit if applicable here.

Line 10E Net Tax Due - Subtract any amounts shown on line 10D from the amount on line 10C. Enter the difference here.

Mfg. Utility Tax

Line 11A Taxable Purchases - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 11C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 0.625%. Enter amount here.

Line 11D Economic Dev Credit - Enter the amount of Economic Dev Credit if applicable on this line.

Line 11E Net Tax Due - Subtract any amounts shown on line 11D from the amount on line 11C. Enter the difference here.

Aviation Tax

Line 12A Taxable Purchases - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 12C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 6.5%. Enter amount here.

Line 12D Economic Dev Credit - Enter the amount of Economic Dev Credit if applicable on this line.

Line 12E Net Tax Due - Subtract any amounts shown on line 12D from the amount on line 12C. Enter the difference here.

Mfg. Repair Tax

Line 13A Taxable Purchases - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

Line 13C Gross Tax Due - Multiply your Taxable Sales in column A by the state rate of 5.5%. Enter amount here.

Line 13D Economic Dev Credit - Enter the amount of Economic Dev Credit if applicable on this line.

Line 13E Net Tax Due - Subtract any amounts shown on line 13D from the amount on line 13C. Enter the difference here.

Special Additional Excise Taxes

This section of the reporting form is used to report any of the Special Additional Taxes filed on the ET-1 form.

Prepaid Wireless 911 Fee

Line 14A Number of Transactions - Insert your number of Prepaid Wireless 911 transactions.

Line 14C Gross Tax Due - Multiply Column A by the state rate of \$0.65 per transaction. Enter amount here.

Line 14D 3% Discount - Multiply Line 14C by 3% (.03) and enter amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 3% discount will be allowed.

Line 14E Net Tax Due - Subtract any amounts shown on line 14D from the amount on line 14C. Enter the difference here.

Tourism Tax

Line 15A Taxable Sales & Purchases - Insert your state taxable sales from the Taxable Sales Worksheet on this line.

- Line 15C** Gross Tax Due - Multiply Column A by the state rate of 2%. Enter amount here.
Line 15D 2% Discount - Multiply Line 15C by 2% (.02) and enter amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. Discount cannot exceed \$1,000.00.
Line 15E Net Tax Due -Subtract any amounts shown on line 15D from the amount on line 15C. Enter the difference here.

Short Term Rental Tax

- Line 16A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 16C Gross Tax Due - Multiply Column A by the state rate of 1%. Enter amount here.
Line 16D 2% Discount - Multiply Line 16C by 2% (.02) and enter amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. Discount cannot exceed \$1,000.00
Line 16E Net Tax Due -Subtract any amounts shown on line 16D from the amount on line 16C. Enter the difference here.

Short Term Rental Vehicle Tax

- Line 17A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 17C Gross Tax Due - Multiply Column A by the state rate of 10%. Enter amount here.
Line 17D 2% Discount - Multiply Line 17C by 2% (.02) and enter amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. Discount cannot exceed \$1,000.00.
Line 17E Net Tax Due -Subtract any amounts shown on line 17D from the amount on line 17C. Enter the difference here.

For Future Use

- Line 18** For Future Use.

Residential Moving Tax

- Line 19A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 19C Gross Tax Due - Multiply Column A by the state rate of 4.5%. Enter amount here.
Line 19D 2% Discount - Multiply Line 19C by 2% (.02) and enter amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. Discount cannot exceed \$1,000.00.
Line 19E Net Tax Due -Subtract any amounts shown on line 19D from the amount on line 19C. Enter the difference here.

Wholesale Vending Tax

- Line 20A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 20E Gross Tax Due - Multiply Line 20A 7% and enter amount here.

Alcoholic Beverage Taxes

This section of the reporting form is used to report any of the Alcoholic Beverage Taxes filed on the ET-1 form.

10% Mixed drink Tax

- Line 21A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 21E Gross Tax Due - Multiply Line 21A by 10% and enter amount here.

4% Additional Mixed Drink Tax

- Line 22A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 22E Gross Tax Due - Multiply Line 22A by 4% and enter amount here.

Liquor & Wine Excise Tax

- Line 23A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 23E Gross Tax Due - Multiply Line 23A by 3% and enter amount here.

Beer Excise Tax

- Line 24A** Taxable Sales - Insert your state taxable sales from the Taxable Sales Worksheet on this line.
Line 24E Gross Tax Due - Multiply Line 24A by 1% and enter amount here.

- Line 25** **Total Special & Alcoholic Beverage Taxes** - Add the net tax due from lines 14 thru 24 and enter here. Place this amount on Line 34 on the front page of the tax return.

Local Sales and Use Taxes

- Column A** **City & County** - Insert the name of each city or each county you want to report if it is not pre-printed on your forms. (1 per line please)
Column B **Code** - Insert the Local Tax code for each city and each county. These codes can be found in this instruction packet and on our Website at www.arkansas.gov/salestax.
Column C **Type Tax** - depending on what type of transaction you are reporting, this designates which line you should use in column D, F, H, and I. Use tax is for out-of-state purchases or sales made by out-of-state vendors.
Column D **Taxable Sales & Purchases** – (Lines 26 thru 31) – Report sales tax in the top portion of each line and use tax in the bottom portion of each line. A local rental vehicle tax is also due and should be combined with the amount remitted for local sales tax. Round all figures to the nearest whole dollar. If you have more than six (6) cities and counties to report, attach Schedule L, located at www.arkansas.gov/salestax.

- Column E Tax Rate** – Enter the appropriate tax rate (found on the attached list) for the city and the county you are reporting. This list is updated quarterly; please check for possible rate changes.
- Column F Gross Tax Due** – Multiply the taxable sales or purchases by the applicable tax rate (Column E) and enter the calculated amount here.
- Column G 2% Discount** – For Sales Tax accounts only, multiply the Gross Sales Tax Due by 2% (.02) and enter the amount here. If the report is postmarked by the 20th of the month due and full payment is made with the report, the 2% discount will be allowed. **Use Tax accounts are not eligible for the 2% discount.**
- Column H Local Tax Rebate** – Enter the amount of additional local taxes paid in excess of \$2,500 to a seller on qualifying purchases which are eligible for the local tax rebate.
- Column I Net Tax Due** – Subtract the 2% Discount Amount and any amounts entered in Column H from the Gross Tax Due Amount for the applicable line. Enter the difference here.

Line 32 Total Local Sales and Use Tax – Add the local taxes from all schedules and enter here. Place this amount on Line 35 on the front page of the tax report.

TOTALS (Lines 33 - 38)

- Line 33 Total State Tax** - Add Net Tax Due for Lines 1 through 13 and place the total on this line.
- Line 34 Total Special & Alcoholic Beverage Tax** – Amount from Line 25 should be entered here.
- Line 35 Total Local Tax** – Amount from Line 32 should be entered here.
- Line 36 Total Tax Due** – Add Lines 33, 34, and 35 and place the total amount here.
- Line 37 Less Prepayments (if required)** – Those businesses which are required to make prepayments of sales and/or vendor use tax should take a deduction for those prepayments here.
- Line 38 Net Tax Due** – Subtract Line 37 from Line 36 and enter the amount here.

Sign Here: Return must be signed by a responsible party.

Payment Voucher Instructions

Insert the amount being paid with the return in the Amount Paid boxes. Also, to ensure payment gets credited to your account, please write your account number on your check. **PLEASE LEAVE VOUCHER ATTACHED TO FORM.**

NOTE: In order to determine your taxable sales, we have provided a worksheet below for you to use:

Keep for Your Records

TAXABLE SALES WORKSHEET (for Lines 1A - 8A)	
1. Gross Receipts Enter the total gross sales for the reporting period	1. <input style="width: 100px;" type="text"/>
2. Deductions Enter each legal deduction as listed below	
a. Gasoline (Motor fuel on which tax is paid)	a. <input style="width: 100px;" type="text"/>
b. Food Stamp and WIC Sales	b. <input style="width: 100px;" type="text"/>
c. Sales for Resale	c. <input style="width: 100px;" type="text"/>
d. Prescription drugs	d. <input style="width: 100px;" type="text"/>
e. Returned goods	e. <input style="width: 100px;" type="text"/>
f. Feed, seed and fertilizer	f. <input style="width: 100px;" type="text"/>
g. Bad Debts	g. <input style="width: 100px;" type="text"/>
h. Sales to U.S. Government	h. <input style="width: 100px;" type="text"/>
i. Farm Machinery	i. <input style="width: 100px;" type="text"/>
j. Sales to hospitals and organizations exempt by Arkansas statute (see GR-31)	j. <input style="width: 100px;" type="text"/>
k. Sales to Direct Pay Permit holders	k. <input style="width: 100px;" type="text"/>
l. 38% of Gross Selling Price on new Manufactured Mobile Homes	l. <input style="width: 100px;" type="text"/>
m. Used Manufactured/Mobile Homes	m. <input style="width: 100px;" type="text"/>
n. Dyed Diesel Fuel	n. <input style="width: 100px;" type="text"/>
o. Other Legal Deductions	o. <input style="width: 100px;" type="text"/>
TOTAL DEDUCTIONS Add the amounts in lines "a" through "o". Enter total	2. <input style="width: 100px;" type="text"/>
3. TAXABLE SALES Subtract line 2 from line 1. Enter result here and in your taxable sales field	3. <input style="width: 100px;" type="text"/>

Amended Returns

Form ET-1 allows taxpayers to file an amended return if needed. Check the "Amended Return" box at the top of the return and complete the return as it would be amended. Attach a letter of explanation and fully explain all of the changes and the reason for the changes. **Failure to attach your explanations will delay the processing of your amended return.** The fastest and easiest way to file an amended return is via ATAP: <https://atap.arkansas.gov/>.

Tax Types reported on form ET-1:

Below are brief descriptions of the taxes remitted and collected on form ET-1. For further information on the collection of these taxes, please visit our Web site, www.arkansas.gov/salestax or contact our office at (501) 682-7104.

Sales Tax (Gross Receipts Tax)

Sales or gross receipts tax is levied on retail sales and is collected by the retailer from customers and remitted by the retailer to the State. The retailer gets to retain 2% of the tax collected (\$1,000 per month maximum) as a collection fee if the retailers remittance is on or before the dates due.

Current Tax Rate is 6.5% (non-food items).

Use Tax (Compensating Use Tax)

The compensating or use tax is levied on retail sales to every person in this State for the privilege of storing, using, distributing or consuming, within the State, any article of tangible personal property or taxable service purchased from outside the State. The tax is in lieu of the State sales tax. It is collected by out-of-state vendors from Arkansas customers and is remitted by them to the State or is reported directly by an in-state purchaser if the tax is not collected by an out-of-state seller.

Current Tax Rate is 6.5% (non-food items).

Food Tax

As of July 1, 2011, the state tax rate on sales of food and food ingredients is one and a half percent (1.5%) of the gross receipts or gross proceeds derived from the sale. See Rule 2007-3 on our Website, www.arkansas.gov/salestax or contact our office at (501) 682-7104.

Current Tax Rate is 1.5%.

Manufacturing Utility Tax

As of July 1, 2015, the state tax rate on sales of natural gas or electricity to a manufacturer for use directly in the manufacturing process is five eighths of one percent (0.625%) of the gross receipts or gross proceeds derived from the sale. See Rule 2007-5 on our Website, www.arkansas.gov/salestax or contact our office at (501) 682-7104.

Current Tax Rate is 0.625%.

Aviation Sales Tax

The sales tax on aircraft and aviation fuel, aviation services, parts, accessories and other sales taxes remitted by aircraft dealers, airports and flying fields are collected by the Commissioner of Revenues and remitted to the State Treasury. The sales tax on aircraft and aviation fuel, aviation services, aircraft parts and accessories by all taxpayers is collected by the Commissioner of Revenues and remitted to the State Treasury.

Current Tax Rate is 6.5%.

Aviation Use Tax

The use tax on aircraft and aviation fuel, aircraft parts and accessories is collected by the Commissioner of Revenues and remitted to the State Treasury.

Current Tax Rate is 6.5%.

Prepaid Wireless 911 Fee

Reminder: All Sellers of Prepaid Wireless Telecommunications Services

Beginning January 1, 2014, retailers of prepaid wireless telecommunication services are required to collect an E911 fee of sixty-five cents (\$0.65) per retail sales transaction on each sale of prepaid wireless telecommunication services including sales of recharges of previously purchased prepaid wireless services. Examples of prepaid wireless telecommunications services include: (1) Calling cards for cellular phones preloaded with a set dollar amount, minutes or units of air time; (2) Recharging of a reusable cellular phone calling card; (3) Recharging of a cellular phone itself with additional minutes or units of air time; and (4) Sales of cellular phones preloaded with more than ten (10) minutes or five dollars (\$5.00) of prepaid wireless service.

The E911 fee is to be separately stated on the invoice or receipt provided to the customer at the time of the sale. State and local sales taxes are not to be collected on the separately stated E911 fee. If the retailer fails to separately state the E911 fee amount on the invoice or receipt, state and local sales tax will be due on the total billing amount to the customer. The E911 fee will be reported to DFA on your existing monthly Excise Tax return on line 14 in the special additional excise tax section. The seller is entitled to a three percent (3%) prompt payment discount when timely remitting the fee by the due date.

2% Tourism Tax

The tax is levied upon the gross receipts or gross proceeds derived from admissions to tourist attractions or the sale or rental on items related to tourism. The tax is collected, reported and paid in the same manner as all other gross receipts taxes. The monies collected are deposited as special revenues and credited to the Tourism Development Trust Fund. Current Tax Rate is 2% and is levied upon the gross receipts of the following:

Admission to theme parks, water parks, water slides, river and lake boat cruises and excursions, local sightseeing and excursion tours, helicopter tours, excursion railroads, carriage rides, horse racing, dog racing, indoor or outdoor plays or music shows, folk centers, observation towers, privately owned or operated museums, privately owned historic sites or buildings, and natural formations; the services of furnishing hotel and motel rooms, lodging houses, condominiums and tourist camps or courts to transient guests; camping fees at public or private campgrounds; rentals of watercraft, boats, motors, and related motor equipment; life jackets and cushions, water skis, oars, and paddles.

Short Term Rental Tax

In addition to the Gross Receipts and Compensating Use Tax, there is levied an additional tax of 1% on all tangible personal property that is rented or leased for a period of less than 30 days. The tax is applicable to all rentals or leases regardless of whether tax was paid on the rental property at the time of purchase.
Current Tax Rate is 1%.

Short Term Rental Vehicle Tax

A rental vehicle tax is levied on the gross receipts or gross proceeds derived from rentals of licensed motor vehicles for a period of less than 30 days. A local rental vehicle tax is also due and should be combined with the amount remitted for local sales tax. The rate will be equal to the local tax rate in effect for the jurisdiction where the rental occurs.
Current Tax Rate is 10% plus the local rental vehicle tax.

Residential Moving Tax

A gross receipts tax is levied upon the rental of gasoline or diesel powered trucks rented or leased for residential moving or shipping.
Current Tax Rate is 4.5%.

Wholesale Vending Tax

Vending machine operators have three options with regard to the payment of tax. Sales made through vending machines are not subject to the gross receipts tax, but the vending device operator must (1) pay a "wholesale vending tax" of 7% on property purchased for resale through a vending device, (2) pay sales tax on all purchases from vendors with no sales for resale exemption or (3) purchase a vending machine decal instead of paying sales tax or wholesale tax. If a vending machine operator chooses this option, all machines operated must have decals on them.
Current Tax Rate is 7%.

Mixed Drink Tax

In addition to the gross receipts tax, holders of mixed drink permits (except private club permits) issued by the Alcoholic Beverage Control Division must collect and remit the ten percent (10%) supplemental gross receipts tax on all sales of alcoholic beverages except beer and wine.

In addition to the gross receipts tax, holders of private club permits issued by the Alcoholic Beverage Control Division must collect and remit the 10% supplemental gross receipts tax upon all charges to members for the preparation and serving of mixed drinks or for the cooling and serving of beer and wine. A private club which also has a beer permit should collect the state and local sales tax but not the ten percent (10%) supplemental tax on its sales of beer.
Current Tax Rate is 10%.

Additional Mixed Drink

In addition to the gross receipts tax and ten percent (10%) supplemental tax, holders of mixed drink permits must collect and remit the four percent (4%) supplemental gross receipts tax on all sales of alcoholic beverages except beer and wine.

In addition to the gross receipts tax and ten percent (10%) supplemental tax, holders of private club permits must collect and remit the four percent (4%) supplemental gross receipts tax upon all charges to members for the preparation and serving of mixed drinks only.
Current Tax Rate is 4%.

Liquor & Wine Excise Tax

A special Alcoholic Beverage Excise Tax of 3% is levied upon all retail receipts or proceeds derived from the sale of liquor, cordials, liqueurs, specialties, sparkling and still wines. The tax is collected by the retailer in addition to the retail price of such products and remitted to the Commissioner of Revenues. This tax is in addition to the Gross Receipts Tax.
Current Tax Rate is 3%.

Beer Excise Tax

The tax is levied on the retail sales of beer for off premises consumption. This tax is in addition to the Gross Receipts Tax.
Current Tax Rate is 1%.

Local Sales and Use Taxes

Local taxes are collected and remitted similar to the state sales and use tax. You must report each city tax or county tax separately on the form.

Businesses that hold an active Arkansas Sales and Use Tax permit and file Excise Tax returns with DFA may deduct the amount of additional city or county tax on business purchases on which the full amount of local tax has been collected by the seller. The total amount of the additional tax for a qualifying rebate for each city and county for which the tax was paid must be listed on the form. When completing the form, a credit for any additional tax paid will be deducted from the local tax due for that reporting period.

Lines 26 – 31

Report sales tax or local rental vehicle tax in the top portion of each line and use tax in the bottom portion of each line. **Round all figures to the nearest whole dollar.** If you have more than six (6) cities and counties to report, attach additional Schedule L, located at www.arkansas.gov/salestax.

Column A (City & County) – Enter the name of the city or county for which you are reporting tax.

Column B (Code) – Enter the local code as assigned by the Department of Finance and Administration (See enclosed list.) This list is updated quarterly and can be obtained from the Sales and Use Tax Section’s website at www.arkansas.gov/salestax.

Column D (Taxable Sales or Purchases) – Enter the taxable amount of sales or purchases.

Column E (Rate) – Enter the appropriate tax rate (found on the attached list) for the city or county you are reporting. This list is updated quarterly; please check for any possible rate changes.

Column F (Gross Tax Due) – Multiply the taxable sales or purchases by the tax rate and enter here.

Column G (2% Discount) – Multiply the Gross Sales Tax Due by 2% (.02) if paid and postmarked by the 20th of the month due. The discount does not apply to use tax or local rental vehicle tax.

Column H (Local Tax Rebate) – Enter the amount of additional local tax paid to a seller on qualifying purchases eligible for the local tax rebate. ([See Local Tax Rebate Computation below](#))

Column I (Net Tax Due) – Subtract the 2% Discount amount from the Gross Tax Due amount. Enter the difference here.

Line 32 Total Local Sales & Use Tax – Add the local taxes from all schedules and enter here.

EXAMPLE:

Local Sales and Use Taxes			(If you have additional local taxes to report, please attach a supplemental schedule)					
A. City & County	B. Code	Tax C. Type	Taxable Sales D & Purchases	E. Rate	F. Gross Tax Due	Less 2% G. Discount	Local Cap H. Rebate	I. Net Tax Due
26. LITTLE ROCK	6005	SALES	10,000	1.500%	150.00	3.00		147.00
		USE						
27. PULASKI CO.	6000	SALES	10,000	1.000%	100.00	2.00		98.00
		USE						
28. CONWAY	2301	SALES	0	1.750%	0		99.75	-99.75
		USE						
29. FAULKNER CO.	2300	SALES	0	0.500%	0		28.50	-28.50
		USE						
30.		SALES						
		USE						
31.		SALES						
		USE						

RECENT LOCAL TAX CHANGES

The following cities and counties have recent tax CHANGES. Please refer to the city and county local tax listing for the complete listing and current rates in local taxes. This list contains rate change information based on information available July 1, 2016.

City or County Name	Code	Date	Rate	County	Recent Action
**Big Flat	03-06	07/01/2016	1.000%	Baxter	Enacted
Danville	75-04	07/01/2016	1.000%	Yell	Decreased
Hot Springs	26-01	07/01/2016	1.500%	Garland	Annexation
Oak Grove Heights	28-04	07/01/2016	1.000%	Green	Enacted
Ozark	24-07	07/01/2016	2.000%	Franklin	Increased
Rudy	17-09	07/01/2016	0.500%	Crawford	Enacted
Drew County	22-00	07/01/2016	2.250%		Decreased
Marion County	45-00	07/01/2016	1.250%		Increased
Bald Knob	73-17	10/01/2016	0.500%	White	Decreased
Hartford	65-10	10/01/2016	2.000%	Sebastian	Increased
Wilson	47-16	10/01/2016	1.000%	Mississippi	Enacted
Yell County	75-00	10/01/2016	1.875%		Decreased

*Denotes multiple changes for this jurisdiction.

**Denotes jurisdiction is in multiple Counties.

Local Tax Rebate Computation

To compute the amount of rebate, take the invoice amounts exceeding \$2,500 (not including tax) and subtract \$2,500 from the total Invoice amount. This result is multiplied by the local tax rate that is applicable and the product is the local tax rebate.

Local Tax Rebate EXAMPLE

1. Invoice Amount		\$8,935.00
2. Single Transaction Amount		\$2,500.00
3. Amount subject to Local Tax Rate		\$6,435.00
4. Local City Rate		1.000%
6. Total Local Tax Rebate		\$64.35

You must use this method to compute each Rebate for each local tax. For more information visit our web site:

www.arkansas.gov/salestax

Please Note (Texarkana):

In Accordance with Arkansas statute 26-52-523, only the .5% portion of the 2.5% Texarkana City tax is eligible for the local tax rebate allowed on business purchases.

To claim a local tax rebate on the available .5% portion of the Texarkana City tax on business purchases, complete and submit the ET-179A, Local Tax Rebate Form according to the instructions on the form. The ET-179A, Local Tax Rebate Form may be printed from our web site www.arkansas.gov/salestax. You may not claim the local tax rebate for the city of Texarkana on the ET-1 Excise Tax Return.