

Arkansas State Taxability Matrix

version 2014.3

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Completed by: Sales and Use Tax Section

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The Taxability Matrix contains four sections that must be completed: Section A – Administrative Definitions, Section B – Sales Tax Holidays, Section C – Product Definitions and Section D – Best Practices.

Instructions for Sections A, B and C of the Taxability Matrix

Each of the items listed in Sections A, B and C below are defined in the Library of Definitions in the Streamlined Sales and Use Tax Agreement (SSUTA) as amended through May 15, 2014. Refer to Appendix C of the SSUTA for each definition.

Place an "X" in the appropriate column under the heading "Treatment of definition" to indicate the treatment of each definition in your state. If a product definition was not adopted by your state, enter "NA" in the column under the heading "Reference" and indicate in the "Treatment of definition" columns the treatment of the product in your state. In accordance with the SSUTA, your state must adopt the definitions in the Library of Definitions that apply to your state without qualifications, except for those allowed by the SSUTA. For this reason, do not enter any comments or qualifications in the two columns under the heading "Treatment of definition." If your state has adopted a definition in the Library of Definitions with a qualification not specified in the SSUTA, do not place an "X" in either column under the heading "Treatment of definition" but include a comment in the "Reference" column explaining the qualification. Enter the applicable statute/rule cite in the "Reference" column.

Instructions for Section D of the Taxability Matrix

With respect to Section D, "best practices" have been approved by the Streamlined Sales Tax Governing Board (SSTGB) for each of the products, procedures, services, or transactions identified pursuant to Section 335 of the Streamlined Sales and Use Tax Agreement (SSUTA), as amended through May 15, 2014.

Use of the term "State" in each practice refers to the state completing the matrix.

Place an "X" in the appropriate column to indicate whether your State does or does not follow each practice identified.

For each practice identified in this matrix and further described in Appendix E of the SSUTA which your State follows, place an "X" in the "Yes" column and enter the statute or rule that applies to your state's treatment of this "best practice" in the References and Comments column.

For each practice identified in this matrix and further described in Appendix E of the SSUTA that your State does not follow, place an "X" in the "No" column and, if necessary, describe in the References and Comments column your state's practice in this area.

Conformance to a "best practice" by a state is voluntary and no state shall be found not in compliance with the Agreement if it does not follow a best practice adopted by the Governing Board.

Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to treatment of the terms defined in Sections A, B and C and the best practices indicated in Section D. SSTGB Form F0014 (Revised May 15, 2014)

Administrative Definitions		Treatment		Reference	
Reference Number	Sales price: Identify how the options listed below are treated in your state. The following options may be excluded from the definition of sales price only if they are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded in Sales Price	Statute/Rule Cite	Comment
10010	Charges by the seller for any services necessary to complete the sale other than delivery and installation	X		A.C.A. 26-52-103(13), 26-53-102(13)	

10070	Telecommunication nonrecurring charges	X		A.C.A. 26-52-103(13), 26-53-102(13)	
10040	Installation charges		X	A.C.A. 26-52-103(13), 26-53-102(13) A.C.A. 26-52-301(3)(B)	Taxable if installation is a taxable service
10060	Value of trade-in	X		A.C.A. 26-52-103(13), 26-53-102(13) A.C.A. 26-52-510.	No credit for trade-in is allowed unless specifically provided by statute
Reference Number	Delivery Charges for personal property or services other than direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded in Sales Price	Statute/Rule Cite	Comment
11000	Handling, crating, packing, preparation for mailing or delivery, and similar charges	X		A.C.A. 26-52-103(6), 26-52-103(13)	
11010	Transportation, shipping, postage, and similar charges	X		A.C.A. 26-52-103(6), 26-52-103(13)	
Reference Number	Delivery Charges for direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the bill to the purchaser.	Included in Sales Price	Excluded in Sales Price	Statute/Rule Cite	Comment
11020	Handling, crating, packing, preparation for mailing or delivery, and similar charges		X	GR-10.1 and GR-11.1	
11021	Transportation, shipping, and similar charges		X	GR-10.1 and GR-11.1	
11022	Postage		X	GR-10.1 and GR-11.1	
Reference Number	STATE and LOCAL TAXES - A state may exclude from the sales price any or all state and local taxes on a retail sale that are imposed on the seller, if the state statute authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. Sales and use taxes are not included in the sales price. If applicable list all state and local taxes, other than sales and use taxes imposed on the seller that your state excludes from sales price under this provision.	Included in Sales Price	Excluded in Sales Price	Statute/Rule Cite	Comment
11110		X		A.C.A. 26-52-103(13)(a)(ii); GR-3	
Reference Number	TRIBAL TAXES - A state may exclude from the sales price tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. If applicable list all tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser.	Included in Sales Price	Excluded in Sales Price	Statute/Rule Cite	Comment
11120		X		A.C.A. 26-52-103(13)(a)(ii); GR-3	
Description...		Treatment		Reference	
Sales Tax Holidays		Yes	No	Rule Description...	Comment Description...
Sales Tax Holidays: Does your state have a sales tax holiday?		X			
Reference Number	If yes, indicate the tax treatment during your state sales tax holiday for the following products.	Amount of Threshold	Taxable	Exempt	Statute/Rule Cite
					Comment

20060	• All Energy star qualified products	\$ 0	X			
20150	N/A	\$ 0	X			
20160	Specific Disaster preparedness general supply	\$ 0	X			
20170	Specific Disaster preparedness safety supply	\$ 0	X			
20180	Specific Disaster preparedness food-related supply	\$ 0	X			
20190	Specific Disaster preparedness fastening supply	\$ 0	X			
20070	School supply	\$ 0		X	A.C.A. 26-52-444, Rule 2012-2	
20080	School art supply	\$ 0		X	A.C.A. 26-52-444, Rule 2012-2	
20090	School instructional material.	\$ 0		X	A.C.A. 26-52-444, Rule 2012-2	
20100	School computer supply	\$ 0	X			
Reference Number	Other products defined in Part II of the Library of Definitions included in your state sales tax holiday.	Amount	Taxable	Exempt	Statute/Rule Cite	Comment
20130	Clothing	\$ 100		X	A.C.A. 26-52-444, Rule 2012-2	
20110	Computers	\$ 0	X			
20120	Prewritten computer software	\$ 0	X			
20120	Clothing accessories and equipment	\$ 50		X	A.C.A. 26-52-444, Rule 2012-2	
20120	N/A	\$ 0				
Product Definitions			Treatment		Reference	
Reference Number	Clothing and related products		Taxable	Exempt	Statute/Rule Cite	Comment
20010	Clothing		X		A.C.A. 26-52-444, Rule 2012-2	Clothing is exempt only during the sales tax holiday
20015	Essential clothing priced below a state specific threshold		X		N/A	
20050	Fur clothing		X		N/A	
20020	Clothing accessories or equipment		X		A.C.A. 26-52-444, Rule 2012-2	Clothing accessories or equipment are exempt only during the sales tax holiday
20030	Protective equipment		X		A.C.A. 26-52-434, 26-53-142, GR-31.1	Generally taxable as TPP unless a specific exemption applies, i.e., volunteer fire departments
20040	Sport or recreational equipment		X		N/A	
Reference Number	Computer related products		Taxable	Exempt	Statute/Rule Cite	Comment

30100	Computer	X		A.C.A. 26-52-301(1), 26-52-304, 26-53-109	
30040	Prewritten computer software	X		A.C.A. 26-52-304, GR-25, 26-53-109.	Computer software is taxable if it is delivered on TPP.
30050	Prewritten computer software delivered electronically		X	A.C.A. 26-52-304, 26-53-109	
30060	Prewritten computer software delivered via load and leave		X	A.C.A. 26-52-304, 26-53-109	
30015	Non-prewritten (custom) computer software		X	GR-25 and GR-93.	Custom software is considered a nontaxable programming service. However, if TPP is provided in conjunction with the service, then the bundled transaction rules apply
30025	Non-prewritten (custom) computer software delivered electronically		X		See above.
30035	Non-prewritten (custom) computer software delivered via load and leave		X		See above
Reference Number	Mandatory computer software maintenance contracts	Taxable	Exempt	Statute/Rule Cite	Comment
30200	Mandatory computer software maintenance contracts with respect to prewritten computer software		X	A.C.A. 26-52-304(d)	
30210	Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered electronically.		X	N/A	
30220	Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered via load and leave		X	N/A	
30230	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) computer software		X	GR-25 and GR-93.	NA – Custom software is considered a nontaxable programming service. However, if TPP is provided in conjunction with the service, then the bundled transaction rules apply
30240	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered electronically		X	N/A	
30250	Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered via load and leave		X	N/A	
Reference Number	Optional computer software maintenance contracts	Taxable	Exempt	Statute/Rule Cite	Comment
30300	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades with respect to the software		X	A.C.A. 26-52-304(d)	
30310	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered electronically with respect to the software		X	N/A	
30320	Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered via load and leave with respect to the software		X	N/A	
30330	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades with respect to the software		X	GR-25 and GR-93.	Custom software is considered a nontaxable programming service. However, if TPP is provided in conjunction with the service, then the bundled transaction rules apply.

30340	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered electronically with respect to the software		X	N/A	
30350	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered via load and leave with respect to the software		X	N/A	
30360	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide support services to the software		X		
30370	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades and support services to the software		X	GR-25 and GR-93.	Custom software is considered a nontaxable programming service. However, if TPP is provided in conjunction with the service, then the bundled transaction rules apply.
30380	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades delivered electronically and support services to the software		X	N/A	
30390	Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software provide updates or upgrades delivered via load and leave and support services to the software		X	N/A	
Reference Number	Indicate your state's tax treatment for optional computer software maintenance contracts with respect to prewritten computer software sold for one non-itemized price that include updates and upgrades and/or support services. Use percentages in the taxable and exempt columns to denote tax treatment in your state. For example: if all taxable put 100% in the taxable column; if all nontaxable/exempt put 100% in the exempt column; if 50% taxable and 50% nontaxable/exempt put 50% in the taxable column and 50% in the exempt column.	Taxable	Exempt	Statute/Rule Cite	Comment
30400	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates or upgrades and support services to the software	0%	100%	A.C.A. 26-52-304(d)	
30410	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered electronically and support services to the software	0%	100%	N/A	
30420	Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered via load and leave and support services to the software	0%	100%	N/A	
30430	Optional computer software maintenance contracts with respect to prewritten computer software that only provide support services to the software	0%	100%	N/A	
Reference Number	Digital products(excludes telecommunications services, ancillary services and computer software)	Yes	No	Statute/Rule Cite	Comment
31000	A state imposing tax on products "transferred electronically" is not required to adopt definitions for specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) Does your state impose tax on products transferred electronically other than digital audio visual works,		X		

Reference Number	digital audio works, or digital books? For transactions other than those included above, a state must specifically impose and separately enumerate a broader imposition of the tax. Does your state impose tax on:	Yes	No	Statute/Rule Cite	Comment
31065	Digital audio visual works sold to users other than the end user.		X	N/A	
31050	Digital audio visual works sold with rights of use less than permanent use...		X	N/A	
31060	Digital audio visual works sold with rights of use conditioned on continued payment.		X	N/A	
31095	Digital audio works sold to users other than the end user.		X	N/A	
31080	Digital audio works sold with rights of use less than permanent.		X	N/A	
31090	Digital audio works sold with rights of use conditioned on continued payments.		X	N/A	
31125	Digital books sold to users other than the end user.		X	N/A	
31110	Digital books sold with rights of use less than permanent.		X	N/A	
31120	Digital books sold with rights of use conditioned on continued payments.		X	N/A	
31121	Does your state treat subscriptions to products "transferred electronically" differently than a non-subscription purchase of such product?		X	A.C.A. 26-52-301(3)(C).	Television, video, and radio broadcasting services are taxable when sold in a digital format by subscription only.
Reference Number	Digital products(excludes telecommunications services, ancillary services and computer software)	Taxable	Exempt	Statute/Rule Cite	Comment
31040	Digital audio visual works sold to an end user with rights for permanent use		X	N/A	
31070	Digital audio works sold to an end user with rights for permanent use		X	N/A	
31100	Digital books sold to an end user with rights for permanent use		X	N/A	
Reference Number	Section 332H provides that states may have product based exemptions for specific items within specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) List product based exemptions for specific items included in specified digital products. Example: digital textbooks	Taxable	Exempt	Statute/Rule Cite	Comment
32000	N/A				
Reference Number	Food and food products	Taxable	Exempt	Statute/Rule Cite	Comment
40010	Candy	X		A.C.A. 26-52-103(12), 26-52-317(c), 26-53-102(5), 26-53-145	
40020	Dietary Supplements	X		A.C.A. 26-52-103(7), 26-52-317(c), 26-53-102(3), 26-53-145	
40030	Food and food ingredients excluding alcoholic beverages and tobacco	X		A.C.A. 26-52-103(12), 26-52-317(c), 26-53-102(5), 26-53-145	
40040	Food sold through vending machines		X	N/A - A.C.A. 26-57-1001 et seq.	TPP sold through a vending device is administered separately,
40050	Soft Drinks	X		A.C.A. 26-52-103(12), 26-52-317(c), 26-53-102(5), 26-53-145	
40060	Bottled Water	X		A.C.A. 26-52-103(12), 26-52-317(c), 26-53-102(5), 26-53-145	

41000	Prepared Food	X		A.C.A. 26-52-103(17), 26-52-317(c), 26-53-102(9), 26-53-145	
Reference Number	Prepared food options - The following food items heated, mixed or combined by the seller are included in the definition of prepared food unless a state elects to exclude them from the definition of prepared food. Such food items excluded from prepared food are taxed the same as food and food ingredients. (Indicate how the options for the following food items that otherwise meet the definition of prepared food are treated in your state.)	Included in Prepared Food	Excluded From Prepared Food	Statute/Rule Cite	Comment
41010	Food sold without eating utensils provided by the seller whose primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries)	X		A.C.A. 26-52-103(17), 26-52-317, 26-53-102(9), 26-53-145	
41020	Food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item	X		A.C.A. 26-52-103(17), 26-52-317, 26-53-102(9), 26-53-145	
41025	Meat or seafood products sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item	X		Ark. Code Ann. §26-52-103(17); Ark. Code Ann. §26-52-317(b)(2)	
41030	Bakery items sold without eating utensils provided by the seller, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas	X		A.C.A. 26-52-103(17), 26-52-317, 26-53-102(9), 26-53-145	
41040	Food sold without eating utensils provided by the seller that ordinarily requires cooking (as opposed to just reheating) by the consumer prior to consumption	X		Ark. Code Ann. §26-52-103(17); Ark. Code Ann. §26-52-317(b)(2)	
Reference Number	Health-care products Drugs (indicate how the options are treated in your state) Drugs for human use	Taxable	Exempt	Statute/Rule Cite	Comment
51010	Drugs for human use without a prescription	X		A.C.A. 26-52-406, GR-38	
51020	Drugs for human use with a prescription		X	A.C.A. 26-52-406, GR-38	
51050	Insulin for human use without a prescription		X	A.C.A. 26-52-419	
51060	Insulin for human use with a prescription		X	A.C.A. 26-52-419	
51090	Medical oxygen for human use without a prescription	X		A.C.A. 26-52-406	
51100	Medical oxygen for human use with a prescription		X	A.C.A. 26-52-406, GR-38	
51130	Over-the-counter drugs for human use without a prescription	X		A.C.A. 26-52-406, GR-38	
51140	Over-the-counter drugs for human use with a prescription	X		A.C.A. 26-52-406, GR-38	
51170	Grooming and hygiene products for human use that don't meet the definition of "drug"	X		A.C.A. 26-52-406, GR-38	
51171	Grooming and hygiene products for human use that meet the definition of "drug" without a prescription	X		A.C.A. 26-52-406, GR-38	
51172	Grooming and hygiene products for human use that meet the definition of "drug" with a prescription		X	A.C.A. 26-52-406, GR-38	The exemption applies to grooming and hygiene products that can only be obtained with a prescription.
51190	Drugs for human use to hospitals	X		A.C.A. 26-52-406, GR-38	
51195	Drugs for human use to other medical facilities	X		A.C.A. 26-52-406, GR-38	
51200	Prescription drugs for human use to hospitals		X	A.C.A. 26-52-406	

51205	Prescription drugs for human use to other medical facilities		X	A.C.A. 26-52-406, GR-38	
51240	Free samples of drugs for human use	X		A.C.A. 26-52-406, GR-38	
51250	Free samples of prescription drugs for human use		X	A.C.A. 26-52-406, GR-38	
Reference Number	Drugs for animal use	Taxable	Exempt	Statute/Rule Cite	Comment
51030	Drugs for animal use without a prescription	X		A.C.A. 26-52-404, 26-52-405	Limited exemption for livestock and poultry
51040	Drugs for animal use with a prescription	X		A.C.A. 26-52-404, 26-52-405 Rule 2010-1	Limited exemption for livestock and poultry Not taxable if sold as part of a nontaxable veterinary service
51070	Insulin for animal use without a prescription	X		NA	
51080	Insulin for animal use with a prescription	X		NA	
51110	Medical oxygen for animal use without a prescription	X		NA	
51120	Medical oxygen for animal use with a prescription	X		NA	
51150	Over-the-counter drugs for animal use without a prescription	X		NA	
51160	Over-the-counter drugs for animal use with a prescription	X		NA	
51180	Grooming and hygiene products for animal use	X		NA	
51210	Drugs for animal use to veterinary hospitals and other animal medical facilities	X		NA	
51220	Prescription drugs for animal use to hospitals and other animal medical facilities	X		NA	
51260	Free samples of drugs for animal use	X		NA	
51270	Free samples of prescription drugs for animal use	X		NA	
Reference Number	Durable medical equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
52010	Durable medical equipment, not for home use, without a prescription	X		A.C.A. 26-52-433, 26-53-141	
52020	Durable medical equipment, not for home use, with a prescription	X		A.C.A. 26-52-433, 26-53-141	
52030	Durable medical equipment, not for home use, with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
52040	Durable medical equipment, not for home use, with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
52050	Durable medical equipment, not for home use, with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
52060	Durable medical equipment, not for home use, with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
52070	Durable medical equipment for home use without a prescription	X		A.C.A. 26-52-433(b)(2)(A)(v), 26-53-141	
52080	Durable medical equipment for home use with a prescription		X	A.C.A. 26-52-433(b)(2)(A)(v), 26-53-141	
52090	Durable medical equipment for home use with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
52100	Durable medical equipment for home use with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	

52110	Durable medical equipment for home use with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
52120	Durable medical equipment for home use with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
52130	Oxygen delivery equipment, not for home use, without a prescription	X		A.C.A. 26-52-433, 26-53-141	
52140	Oxygen delivery equipment, not for home use, with a prescription	X		A.C.A. 26-52-433, 26-53-141	
52150	Oxygen delivery equipment, not for home use, with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
52160	Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
52170	Oxygen delivery equipment, not for home use, with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
52180	Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
52190	Oxygen delivery equipment for home use without a prescription	X		A.C.A. 26-52-433, 26-53-141	
52200	Oxygen delivery equipment for home use with a prescription		X	A.C.A. 26-52-433, 26-53-141	
52210	Oxygen delivery equipment for home use with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
52220	Oxygen delivery equipment for home use with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
52230	Oxygen delivery equipment for home use with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
52240	Oxygen delivery equipment for home use with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
52250	Kidney dialysis equipment, not for home use, without a prescription	X		A.C.A. 26-52-433, 26-53-141	
52260	Kidney dialysis equipment, not for home use, with a prescription	X		A.C.A. 26-52-433, 26-53-141	
52270	Kidney dialysis equipment, not for home use, with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
52280	Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
52290	Kidney dialysis equipment, not for home use, with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
52300	Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
52310	Kidney dialysis equipment for home use without a prescription	X		A.C.A. 26-52-433, 26-53-141	
52320	Kidney dialysis equipment for home use with a prescription		X	A.C.A. 26-52-433, 26-53-141	
52330	Kidney dialysis equipment for home use with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
52340	Kidney dialysis equipment for home use with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
52350	Kidney dialysis equipment for home use with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
52360	Kidney dialysis equipment for home use with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	

52370	Enteral feeding systems, not for home use, without a prescription	X		A.C.A. 26-52-433, 26-53-141	
52380	Enteral feeding systems, not for home use, with a prescription	X		A.C.A. 26-52-433, 26-53-141	
52390	Enteral feeding systems, not for home use, with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
52400	Enteral feeding systems, not for home use, with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
52410	Enteral feeding systems, not for home use, with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
52420	Enteral feeding systems, not for home use, with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
52430	Enteral feeding systems for home use without a prescription	X		A.C.A. 26-52-433, 26-53-141	
52440	Enteral feeding systems for home use with a prescription		X	A.C.A. 26-52-433, 26-53-141	
52450	Enteral feeding systems for home use with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
52460	Enteral feeding systems for home use with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
52470	Enteral feeding systems for home use with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
52480	Enteral feeding systems for home use with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
52490	Repair and replacement parts for durable medical equipment which are for single patient use		X	A.C.A. 26-52-433, 26-53-141	If the durable medical equipment meets the requirements for exemption, the repair and replacement parts will be exempt
Reference Number	Mobility enhancing equipment (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
53010	Mobility enhancing equipment without a prescription	X		A.C.A. 26-52-433, 26-53-141	
53020	Mobility enhancing equipment with a prescription		X	A.C.A. 26-52-433, 26-53-141	
53030	Mobility enhancing equipment with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
53040	Mobility enhancing equipment with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
53050	Mobility enhancing equipment with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
53060	Mobility enhancing equipment with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
Reference Number	Prosthetic devices (indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
54010	Prosthetic devices without a prescription	X		A.C.A. 26-52-433, 26-53-141	
54020	Prosthetic devices with a prescription		X	A.C.A. 26-52-433, 26-53-141	
54030	Prosthetic devices with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
54040	Prosthetic devices with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
54050	Prosthetic devices with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
54060	Prosthetic devices with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	

54070	Corrective eyeglasses without a prescription	X		A.C.A. 26-52-433, 26-53-141	
54080	Corrective eyeglasses with a prescription	X		A.C.A. 26-52-433, 26-53-141	
54090	Corrective eyeglasses with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
54100	Corrective eyeglasses with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
54110	Corrective eyeglasses with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
54120	Corrective eyeglasses with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
54130	Contact lenses without a prescription	X		A.C.A. 26-52-433, 26-53-141	
54140	Contact lenses with a prescription	X		A.C.A. 26-52-433, 26-53-141	
54150	Contact lenses with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
54160	Contact lenses with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
54170	Contact lenses with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
54180	Contact lenses with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
54190	Hearing aids without a prescription	X		A.C.A. 26-52-433, 26-53-141	
54200	Hearing aids with a prescription		X	A.C.A. 26-52-433, 26-53-141	
54210	Hearing aids with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
54220	Hearing aids with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
54230	Hearing aids with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
54240	Hearing aids with a prescription reimbursed by Medicaid.		X	A.C.A. 26-52-401(20)	
54250	Dental prosthesis without a prescription	X		A.C.A. 26-52-446, 26-53-141, 17-82-105	
54260	Dental prosthesis with a prescription		X	A.C.A. 26-52-446, 26-53-141, 17-82-105	Dental appliances made for a specific patient sold to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist are exempt.
54270	Dental prosthesis with a prescription paid for by Medicare		X	A.C.A. 26-52-401(20)	
54280	Dental prosthesis with a prescription reimbursed by Medicare		X	A.C.A. 26-52-401(20)	
54290	Dental prosthesis with a prescription paid for by Medicaid		X	A.C.A. 26-52-401(20)	
54300	Dental prosthesis with a prescription reimbursed by Medicaid		X	A.C.A. 26-52-401(20)	
Reference Number	Telecommunications & related products	Taxable	Exempt	Statute/Rule Cite	Comment
60010	Ancillary Services	X		A.C.A. 26-52-315, GR-7	
60020	Conference bridging service	X		A.C.A. 26-52-315, GR-7	
60030	Detailed telecommunications billing service	X		A.C.A. 26-52-315, GR-7	
60040	Directory assistance	X		A.C.A. 26-52-315, GR-7	
60050	Vertical service	X		A.C.A. 26-52-315, GR-7	
60060	Voice mail service	X		A.C.A. 26-52-315, GR-7	

Reference Number	Telecommunications (Indicate how the options are treated in your state)	Taxable	Exempt	Statute/Rule Cite	Comment
61000	Intrastate Telecommunications Service	X		A.C.A. 26-52-315	
61010	Interstate Telecommunications Service	X		A.C.A. 26-52-315	
61020	International Telecommunications Service	X		A.C.A. 26-52-315	
61030	International 800 service		X	A.C.A. 26-52-315	
61040	International 900 service		X	A.C.A. 26-52-315	
61050	International fixed wireless service	X		A.C.A. 26-52-315, GR-7	
61060	International mobile wireless service	X		A.C.A. 26-52-315, GR-7	
61080	International prepaid calling service	X		A.C.A. 26-52-314, 26-52-315	
61090	International prepaid wireless calling service	X		A.C.A. 26-52-314, 26-52-315	
61100	International private communications service		X	A.C.A. 26-52-315	
61110	International value-added non-voice data service	X		A.C.A. 26-52-315, GR-7	
61120	International residential telecommunications service	X		A.C.A. 26-52-315	
61130	Interstate 800 service		X	A.C.A. 26-52-315	
61140	Interstate 900 service		X	A.C.A. 26-52-315	
61150	Interstate fixed wireless service	X		A.C.A. 26-52-315, GR-7	
61160	Interstate mobile wireless service	X		A.C.A. 26-52-315, GR-7	
61180	Interstate prepaid calling service	X		A.C.A. 26-52-314, 26-52-315	
61190	Interstate prepaid wireless calling service	X		A.C.A. 26-52-314, 26-52-315	
61200	Interstate private communications service		X	A.C.A. 26-52-315	
61210	Interstate value-added non-voice data service	X		A.C.A. 26-52-315, GR-7	
61220	Interstate residential telecommunications service	X		A.C.A. 26-52-315	
61230	Intrastate 800 service	X		A.C.A. 26-52-315	
61240	Intrastate 900 service	X		A.C.A. 26-52-315	
61250	Intrastate fixed wireless service	X		A.C.A. 26-52-315	
61260	Intrastate mobile wireless service	X		A.C.A. 26-52-315, GR-7	
61280	Intrastate prepaid calling service	X		A.C.A. 26-52-315, GR-7	
61290	Intrastate prepaid wireless calling service	X		A.C.A. 26-52-314, 26-52-315	
61300	Intrastate private communications service	X		A.C.A. 26-52-314, 26-52-315	
61310	Intrastate value-added non-voice data service	X		A.C.A. 26-52-315, GR-7	
61320	Intrastate residential telecommunications service	X		A.C.A. 26-52-315	
61325	Paging service	X		A.C.A. 26-52-315, GR-7	
61330	Coin-operated telephone service	X		N/A	
61340	Pay telephone service	X		N/A	
61350	Local Service as defined by _____(state)	X		N/A	
D. Best Practices on Vouchers from Appendix E		Does Your State Follow this Best Practice?		Add Additional Comments if Desired. If You Answered No, Describe the Difference Between the Best Practice as Adopted by the Governing Board and Your State's	

		Treatment			
Reference Number	Best Practice 1 – Vouchers	Yes	No	Statute/Rule Cite	Comment
		Vouchers 1.1	The member state administers the difference between the value of a voucher allowed by the seller and the amount the purchaser paid for the voucher as a discount that is not included in the sales price (i.e., same treatment as a seller's in-store coupon), provided the seller is not reimbursed by a third party, in money or otherwise, for some or all of that difference.	X	
Vouchers 1.2	The member state provides that when the discount on a voucher will be fully reimbursed by a third party the seller is to use the face value of the voucher (i.e., same as the treatment of a manufacturer's coupon) and not the price paid by the purchaser as the measure (sales price) that is subject to tax.	X		Ark. Code Ann. § 26-52-103(13); GR-3(H)	
Vouchers 1.3	The member state provides that costs and expenses of the seller are not deductible from the sales price and are included in the measure (sales price) that is subject to tax. Further, reductions in the amount of consideration received by the seller from the third party that issued, marketed, or distributed the vouchers, such as advertising or marketing expenses, are costs or expenses of the seller.	X		Ark. Code Ann. § 26-52-103(13); GR-3(H)	
D. Best Practices on Credits from Appendix E		For each section, place an "X" in the YES column for the Practice your State follows. Place an "X" in the NO column if the practice does not apply in your State.		For sections with only NO responses, describe your State's tax treatment. Additional comments may be added for any response.	
Reference Number	Best Practice 2 – Credits				
Definition	"Tax Paid" means the tax that was (1) paid and (2) previously due from either the seller or the purchaser when the sale of that product is taxable in that state and it was properly sourced based on that state's sourcing rules. "Tax paid" includes tax that was (1) paid and (2) previously due from the purchaser (or seller, if applicable) because the purchaser moved the product to a different jurisdiction. "Tax paid" does not include the portion of tax paid that is currently eligible for a credit or refund or tax paid that is eligible for refund under a tax-incentive program or agreement.			Ark. Code Ann. §26-52-510; GR-12	This is the definition upon which Arkansas relies to complete this Matrix. Note: The responses within do not apply to the treatment of motor vehicles. Arkansas does not provide credit for tax paid on the purchase of a motor vehicle to another jurisdiction in which it was not registered.
	2.1 Credit Against Use Tax	Yes	No	Statute/Rule Cite	Comment
Credits 2.1	The State imposing tax on the purchaser provides credit for "sales or use taxes paid" on a product against the State's use tax.	X		Ark. Code Ann. §26-5-101, Article V	Arkansas is a member of the Multistate Tax Compact. It follows the language of Article V of the Compact.
	2.2 Credit Against Sales Tax	Yes	No	Statute/Rule Cite	Comment
Credits 2.2	The State imposing tax provides credit for the "sales or use taxes paid" on a product against the State's sales tax.		X	Ark. Code Ann. §26-5-101, Article V	Arkansas characterizes sales or use taxes paid to another state as use tax
	2.3 Reciprocity	Yes	No	Statute/Rule Cite	Comment
Credits 2.3.a	The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit.		X	Ark. Code Ann. §26-53-131	
Credits 2.3.b.	The credit the State provides in 2.1 and 2.2 only applies when the other state where the tax was paid provides a reciprocal credit.	X		Ark. Code Ann. §26-53-131	
	2.4 State and Local Sales and Use "Tax Paid"	Yes	No	Statute/Rule Cite	Comment

Credits 2.4.a.	The credit provided for in 2.1 and 2.2 is for the combined amount of state and local "tax paid" to another state or local jurisdiction against both the state and local taxes due to the State.	X		Ark. Code Ann. §26-5-101, Article V	Arkansas is a member of the Multistate Tax Compact. It follows the language of Article V of the Compact
Credits 2.4.b.	The credit provided for in 2.1 and 2.2 is for only the state "tax paid" to another state against the taxes due to the State (i.e., no credit for local tax against state tax). If the State has local sales or use taxes, it only provides credit for state tax against state tax and local tax against local tax.				Please refer to response to Question 2.4.a.
	2.5 Credit for "Similar Tax" Paid to Another Jurisdiction	Yes	No	Statute/Rule Cite	Comment
Credits 2.5	The credit provided for in 2.1 and 2.2 includes "similar taxes" that were (1) paid and (2) previously due to another state or local jurisdiction against the sales or use taxes due. If applicable, list below all known similar or like taxes the State provides credit for even if such tax does not meet the definition of a "similar tax."		X		Arkansas provides credit for sales and use taxes only.
Credits 2.5					
	2.6. Credit Against "Similar Tax" Imposed by the State	Yes	No	Statute/Rule Cite	Comment
Credits 2.6	The credit provided for in 2.1 and 2.2 includes "sales or use taxes paid" to another state or local jurisdiction against "similar taxes" due. If applicable, list below "similar taxes" imposed that the State provides credits against.				Arkansas does not impose similar taxes.
Credits 2.6					
	2.7 Sourcing when Receipt Location is Known	Yes	No	Statute/Rule Cite	Comment
Credits 2.7	The credit provided for in 2.1 and 2.2 applies when the other state's "sales or use taxes" were (1) paid and (2) previously due based on: i) that other state's sourcing rules, or ii) the purchaser's location of use of a product subsequent to the initial sale.	X		Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-521	
	2.8 Sourcing when Receipt Location is Unknown	Yes	No	Statute/Rule Cite	Comment
Credits 2.8	Except as provided in Credits 2.13, the credit provided for in 2.1 and 2.2 applies when the seller sources the initial sale pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5, because the location where the product was received by the purchaser was unknown to the seller.	X		Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-521	
	2.9 Characterization of Sale	Yes	No	Statute/Rule Cite	Comment
Credits 2.9	The credit provided for in 2.1 and 2.2 applies regardless of the other state's characterization of the product as tangible personal property, a service, digital good, or product delivered electronically.	X		Ark. Code Ann. §26-5-101, Article V	Note: Arkansas does not tax digital goods or products delivered electronically so a credit issue would not arise
	2.10 Sales Price Components	Yes	No	Statute/Rule Cite	Comment
Credits 2.10.a.	2.10.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to all components of the SSUTA "sales price" definition, whether taxable or nontaxable in the State.		X	Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-103(13)(A)(v)(b)	Arkansas uses the toggle available under the Agreement definition of "sales price" to exclude installation charges which are not a specifically taxable service if they are separately stated on the billing document.
Credits 2.10.b.	2.10.b. Partial Credit Allowed - When taxable and non-taxable charges are itemized on the invoice, the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable components of	X		Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-103(13)	

the sales price in the State.					
2.11 Transactions with Taxable and Exempt Products		Yes	No	Statute/Rule Cite	Comment
Credits 2.11.a.	2.11.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to the full amount of "tax paid" on a transaction consisting of taxable and exempt products.		X	Ark. Code Ann. §26-5-101, Article V	Arkansas does not provide credit for the tax paid on products which are exempt in Arkansas.
Credits 2.11.b.	2.11.b. Partial Credit Allowed - When taxable and non-taxable products are itemized on the invoice the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable products of a transaction in the State.	X		Ark. Code Ann. §26-5-101, Article V	
2.12 Audit Sampling		Yes	No	Statute/Rule Cite	Comment
Credits 2.12	The credit provided for in 2.1 and 2.2 applies when the sale or purchase of the product was part of the population sampled pursuant to an audit sampling method.	X		Ark. Code Ann. §26-5-101, Article V	
2.13 Direct Mail		Yes	No	Statute/Rule Cite	Comment
Credits 2.13	The credit provided for in 2.1 and 2.2 applies when the seller sources the sale of Advertising and Promotional Direct Mail pursuant to Section 313.A.4.	X		Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-521	
2.14 Accelerated Payments on Lease/Rentals		Yes	No	Statute/Rule Cite	Comment
Credits 2.14	The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on the sum of the lease payments ("accelerated basis"), against the "sales or use taxes" due on the balance of the lease/rental payments.	X		Ark. Code Ann. §26-5-101, Article V	
2.15 Inception-Deferred Collection on Lease/Rentals		Yes	No	Statute/Rule Cite	Comment
Credits 2.15	The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method against the "sales or use taxes" due on the balance of the lease/rental payments.	X		Ark. Code Ann. §26-5-101, Article V	The tax to the other state must be paid before the tax is "due" to Arkansas in order for the taxpayer to receive the credit
2.16 Lessor Acquisition		Yes	No	Statute/Rule Cite	Comment
Credits 2.16	The credit provided for in 2.1 and 2.2 includes the "tax paid" by the lessor to another state or local jurisdiction on the acquisition of the product against the "sales or use taxes" due on the balance of the lease/rental payments provided the tax reimbursement is documented and disclosed to the lessee.	X		Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-301; Ark. Code Ann. §26-63-301	Note: With the exception of motor vehicles, Arkansas provides credit when the property acquired is intended for long-term lease. State and local sales tax must be collected by the lessor for short-term leases of property, regardless whether tax was paid when the property was acquired.