

DFA Arkansas Department of Finance and Administration



Asa Hutchinson, Governor	Arkansas Department of Finance & Administration (DFA) Revenue Division	Larry W. Walther, Secretary Charles S. Collins Commissioner of Revenue
Arkansas State Revenue Tax Quarterly Newsletter, Volume XXVIII. 4 th Quarter	ARKANSAS DFA HOMEPAGE	October, November, December 2021

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OFFICE OF EXCISE TAX ADMINISTRATION

Withholding Tax Section

The Withholding Tax Tables have been updated and are available on the Department's website as of January 10, 2022.

Arkansas accepts forms 1099 filed under the Combined Federal/State Program for 1099 E-Filing. We encourage all forms to be E-filed in this manner. Remember for those filing paper forms W-2 and Form 1099 we do not accept truncated SSN's and the State copy of these forms need to be legible. For preparers remember that you will need a Power of Attorney (POA) form on file the communicate with the Department for Withholding and 1099 issues. A Power of Attorney form is available on the Department's website under Revenue Legal. Taxpayers and preparers remember that you must file a voucher for each period of the year even if you do not have any withholding for that period. If you do not file for a period, you will receive a non-filer letter and could be subject to an estimated assessment.

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

Sales and Use Tax Section

Act 705 extended the filing and payment deadlines for restaurants for March 2021 through February 2022 reporting periods. December, January, and February reports are due on March 20, 2022.

Act 873 Exempts fundraising sales made by a public-school PTA, PTO, or similar organization. Tickets sold by these for fundraising purposes are not subject to the "special event" taxation rules if criteria are met. **(Effective 10-1-2021)**

Act 915 Expands the reduced state sales and use tax rate on utilities used in the manufacturing process to include coal. (Effective 10/1/2021)

Act 970 exempts water used in poultry farming. Water must be used exclusively for the poultry farming operations at a facility used for the commercial production of poultry. (Effective 10/1/2021)

Act 776 requires DFA to provide a report of construction contract credits/rebates or local cap rebates issued to each city and county government in Arkansas impacted by the credit or rebate. (Effective 1/1/2022)

Act 1059 Requires DFA to provide a report to each city and county government in Arkansas showing the number of Sales and Use Tax permits and the total Sales and Use Tax revenue for that city or county. **(Effective 1/1/2022)**

**Please call 501-682-7104 for Periodic Updates
or click on the following link:
[Local Sales and Use Tax Updates](#)**

OFFICE OF INCOME TAX ADMINISTRATION

Income Tax Update

Explanation of Tax Adjustment Letter

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

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

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

THIS IS NOT A BILL

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

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

Act 629 of 2021 Arkansas State Extension due date change

Act 882 of 2021 Achieving a Better Life Experience (ABLE)

Act 966 of 2021 Arkansas Brighter Future Plan Act

Act 182 of 2019 Tax Competitiveness and Relief

Act 154 of 2021 Unemployment Compensation benefits are exempt from Income Tax

Act 935 of 2021 Paisley's Law

Act 971 of 2021 Amended Teacher's qualified classroom expenses

Act 765 of 2021 Law Enforcement Family Relief Check-off Program

Act 904 of 2021 Philanthropic Investment in Arkansas Kids Program Scholarship Credit

Act 248 Arkansas Treatment of Certain Covid-19 Relief Programs

Act 841 of 2021 Retired Law Enforcement Officers Investigating Cold Cases

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OFFICE OF MOTOR VEHICLE ADMINISTRATION

Motor Vehicle Services

ACT 1013 of 2021: Provides a reduced State sales and use tax rate of 3.5% on the sale of a used motor vehicle, trailer, or semitrailer that has a sales price of at least four thousand dollars (\$4,000.00) but less than ten thousand dollars (\$10,000.00). The reduced rate is only effective for purchases on or after January 1, 2022.

ACT 376 of 2021: The new fees to register hybrid vehicles will be reduced from \$100.00 to \$50.00. Fees for electric vehicles will be \$200.00 and the fees for a plug-in hybrid elective vehicle will be \$100.00.

ACT 753: Commercial Driver's License (CDL) will be renewed for five (5) years, this aligns the expiration date with the Transportation Security Administration (TSA) threat assessment.

Effective: January 1, 2022

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

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

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

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

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

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

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



To renew your vehicle registration, change your address on your vehicle registration, or receive vehicle registration renewals by email, please go to the following link: ARSTAR.

For more information on registration renewal, please contact the Office of Motor Vehicle Administration at 501-682-4692 or email at MVInformation@dfa.arkansas.gov.

Office of Motor Fuel Tax

Tax Act Update

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

OFFICE OF FIELD AUDIT ADMINISTRATION

Reporting Suspicious Tax Activities

To report suspicious tax activities, please go to the following webpage: [Reporting Suspicious Tax Activities](#).

For more information on reporting suspicious activity, please contact the Office of Field Audit by phone at 501-682-4616 or email at FieldAudit@dfa.arkansas.gov.

Office of Driver Services

Services and Updates

Arkansas is taking part in the federal nationwide initiative to improve the security of state-issued driver's licenses and identification cards, which will help fight terrorism and reduce identity fraud. On May 3, 2023, anyone who boards a domestic flight or enters a federal building will either need a REAL ID driver's license (DL) or Identification Card (ID) or will need to provide a regular identification and additional accepted forms of identification.



(REAL ID Driver's License)

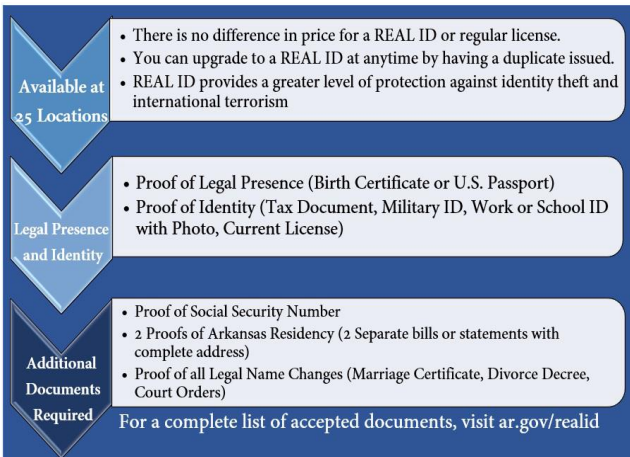


(REAL ID Identification Card)

REAL ID Information Cards



(Front of Card)



(Back of Card)

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

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

HELPFUL DFA REVENUE ROOM NUMBERS

Room 1310	Central Audit District
Room 1360	Collections
Room 1380	Withholding Section
Room 1450	Audit Coordination
Room 2240	Miscellaneous Tax
Room 2250	Corporation Income Tax
Room 2300	Individual Income Tax
Room 2350	Motor Fuel Tax
Room 2370	Tax Credits/Special Refunds
Room 2380	Revenue Legal Counsel
Room 2460	Problems Resolution & Tax Information Office

OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE) OCSE MyWorkers Website



Office of Income Tax Administration

Credit Card Payment Information

Credit card payments may be made over the telephone for individual income tax debts by calling 1-800-2PAY-TAX (1-800-272-9829) or over the Internet by visiting www.acipayonline.com and clicking the "Payment Center Link".

If you need more information on making credit card payments, a link is provided in the Helpful Webpage Links Section of the Arkansas State Revenue Tax Quarterly Newsletter in every issue.

Calendar of Due Dates

January

01/12/22 Sales Tax (1st monthly prepayment)

01/17/22 Miscellaneous Tax (Except Severance taxes, Wheat, Soybean, Wine-Small Farm and Waste Tire) Beer, Liquor, Soft Drink, Cigarette Excise, Cigarette Papers, Construction Surcharge, Telecommunications Surcharge, Beef Promotions, Catfish Promotions Corn/Sorghum, Promotion, Bovine/Pseudorabies Fee, Bingo Tax, Paid Fantasy Gaming

01/20/22 Sales & Use Tax, monthly report for previous month

Miscellaneous Tax - Wheat, Waste Tire, Electronic Games of Skill, Wine-Small Farm, Dyed Diesel - Motor Fuel Tax

01/25/22 Sales Tax (2nd monthly prepayment)

01/25/22 Motor Fuel Tax (Except IFTA)

Severance Tax

01/31/22 Soybean Promotion

February

02/14/22 Sales Tax (1st monthly prepayment)

02/15/22 Employee monthly withholding tax, for previous month

Miscellaneous Tax (Except Severance taxes, Wheat, Soybean, Wine-Small Farm and Waste Tire) Beer, Liquor, Soft Drink, Cigarette Excise, Cigarette Papers, Construction Surcharge, Telecommunications Surcharge, Beef Promotions, Catfish Promotions Corn/Sorghum, Promotion, Bovine/Pseudorabies Fee, Bingo Tax, Rice Promotion

02/21/22 Miscellaneous Tax - Wheat, Waste Tire, Electronic Games of Skill, Wine-Small Farm, Other Tobacco Products, Paid Fantasy Sports, Casino Gaming, Carwash Water Usage.

Sales & Use Tax, monthly report for previous month

Dyed Diesel - Motor Fuel Tax

02/25/22 Sales Tax (2nd monthly prepayment)

02/25/22 Severance Tax

Miscellaneous Tax-Soybean Promotion

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March

03/14/22 Sales Tax (1st monthly prepayment)

03/15/22 Employee monthly withholding tax, for previous month Withholding Tax - Pass through entity return due

Miscellaneous Tax (except Severance taxes, Wheat, Soybean, Wine-Small and Waste Tire) Beer, Liquor, Soft Drink, Cigarette Excise, Cigarette Papers, Construction Corn/Sorghum, Promotion, Bovine/Pseudorabies Fee, Bingo Tax, Rice Promotion

03/21/22 Sales & Use Tax, (monthly report for previous month)

Dyed Diesel - Motor Fuel Tax

Miscellaneous Tax - Wheat, Waste Tire, Electronic Games of Skill, Wine-Small Farm, Oil, Other Tobacco Products, Paid Fantasy Sports, Casino Gaming

03/25/22 Sales Tax (2nd monthly prepayment)

03/25/22 Severance Tax

Motor Fuel Tax (Except IFTA)

03/30/22 Miscellaneous Tax-Soybean Promotion

[Calendar Due Dates for 2021](#)



ATAP is a FREE web-based service that gives taxpayers or their designated representative online access to their tax accounts and offers the following services:

Make a payment.

Register a business.

File a return on-line (except individual income tax).

File a return using XML return upload.

File an annual reconciliation for withholding tax.

Change a name on an account.

Change an address on an account.

Amend a return.

Maintain all tax account types via a single login.

Assign 3rd party logins (CPA, power of attorney, responsible party, & etc.).

Store banking information for use during payment submission.

Upload w-2 information.

View tax period financial information (tax penalty, interest, credits, balance, & etc.).

View payments received.

View recent account activity.

View correspondence from the department.

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

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

HELPFUL WEBPAGE LINKS

[INDIVIDUAL INCOME TAX NAME AND ADDRESS CHANGE FORM](#)

[INDIVIDUAL INCOME TAX E-FILE](#)

[ELECTRONIC FILING PAYMENT OPTIONS INFORMATION](#)

[INDIVIDUAL INCOME TAX PENALTY WAIVER REQUEST](#)

[OFFERS IN COMPROMISE \(OIC\) FORMS](#)

[POWER OF ATTORNEY \(POA\) FORM](#)

[CORPORATION INCOME TAX FORMS AND INSTRUCTIONS](#)

[IRS--WHERE'S MY REFUND LINK](#)

[LOCAL TAX LOOKUP TOOLS](#)

[BUSINESS CLOSURE NOTIFICATION LIST](#)

[CREDIT CARD PAYMENT INFORMATION](#)

[LIST OF ARKANSAS DFA REVENUE OFFICES & PHONE NUMBERS](#)

[PULASKI COUNTY ASSESSOR'S OFFICE](#)

[ARKANSAS SECRETARY OF STATE'S OFFICE HOMEPAGE](#)

[ARKANSAS CHILD SUPPORT HOMEPAGE](#)

[ARKANSAS DEPARTMENT OF WORKFORCE SERVICES HOMEPAGE](#)

[FEDERAL EMPLOYER IDENTIFICATION NUMBER APPLICATION](#)

[MOTOR FUEL TAX](#)

[SMALL BUSINESS CORPORATE \(SUB-S\) REPORTING FORMS](#)

[SALE OR CLOSURE OF BUSINESS FORM](#)

[CLAIM FOR LOW INCOME SALES OF ELECTRICITY, E-416](#)

[MANUFACTURER OF ELECTRICITY UTILITY REDUCED RATE APPLICATION, ET-186 A](#)

[MANUFACTURER OF ELECTRICITY UTILITY REDUCED TAX REFUND REQUEST, ET-186 R](#)

[MANUFACTURING REDUCED RATE APPLICATION/RECERTIFICATION, ET-185ARC](#)

[MANUFACTURING UTILITY REDUCED TAX REFUND REQUEST, ET-185R](#)

[TAX CREDITS AND SPECIAL REFUNDS](#)

[NOTICE OF TRANSFER OF OWNERSHIP OF A MOTOR VEHICLE](#)

[REQUEST FOR TITLE WITH BENEFICIARY](#)

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

[STATE TAX RATES](#)

Contact Info

Corporate Income Tax	501-682-4775
Taxpayer Assistance for Individual Income Tax	501-682-1100 800-882-9275
Sales and Use Tax (Tax Inquiries)	501-682-7104
Motor Fuel Tax	501-682-4800
Problem Resolution and Tax Information Office	501-682-7751
Collections	501-682-5000 501-682-4720
IRS (Taxpayer Advocate)	501-396-5978
IRS Taxpayer Assistance	844-545-5640
IRS Federal Tax Forms	800-829-3676
Revenue Legal Counsel	501-682-7030
Motor Vehicle Administration	501-682-4692
Field Audit Administration	501-682-4616
Driver Services Administration	501-371-5581
Revenue Administration	501-682-7000
Withholding Tax	501-682-7290
Miscellaneous Tax Section	501-682-7187
Tax Credits and Special Refunds	501-682-7106



The Arkansas State Revenue Tax Quarterly is a publication of the Problems Resolution and Tax Information Office. The newsletter is produced and distributed electronically to tax professionals, businesses, and organizations operating in Arkansas.

To be added or deleted from the e-mail list, contact Susan Richards by email at: Susan.Richards@dfa.arkansas.gov, or by mail at Problems Resolution and Tax Information Office, Ledbetter Building, Room 2460, P. O. Box 1272, Little Rock, Arkansas 72203-1272.

To view previous Arkansas State Revenue Tax Quarterlies, click on the following link: [Previous Arkansas State Tax Quarterlies](#).

DFA Revenue Rules are listed in the newsletter and updated on the DFA website. The rules (regulations) can be accessed at the following link: [Revenue Rules](#).

Upcoming State Observed Holidays

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

Monday, January 17th -Dr. Martin Luther King Jr.'s Birthday

Monday February 21st-George Washington's Birthday and Daisy Gatson Bates Day

Suggestions Corner

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