

**NONRESIDENTIAL CONSTRUCTION SURCHARGE  
REGULATION 1999-2**

Pursuant to the authority granted by Act 474 of 1999, the Director of the Department of Finance and Administration, in compliance with Ark. Code Ann. § 25-15- 204, does hereby promulgate the following rules and regulations for the enforcement and administration of Arkansas law.

A. DEFINITIONS. For purposes of this regulation, unless otherwise required by their context, the following definitions apply:

- (1) **SURCHARGE.** The term "surcharge" means a fee to be collected at the rate of fifty cents (\$.50) per each one thousand dollars (\$1,000) of construction authorized on non-residential construction permits issued by a political subdivision.
- (2) **NON-RESIDENTIAL CONSTRUCTION PERMIT.** The term "non-residential construction permit" means any construction permit issued by a political subdivision of this state for a non-residential construction project.
- (3) **NON-RESIDENTIAL CONSTRUCTION PROJECT.** The term "non-residential construction project" means construction of a building or structure for any use other than a residential construction project.
- (4) **RESIDENTIAL CONSTRUCTION PROJECT.** The term "residential construction project" means any project consisting of one (1) but not more than four (4) units of new construction for residential occupancy. (The term "unit" includes any building or structure intended for use as a residence or living quarters for an individual or their family, and shall include any storage buildings, utility buildings, garages or fences appurtenant thereto.)

B. EFFECTIVE DATE.

Effective August 1, 1999, every political subdivision of this state shall collect a surcharge in the amount of fifty cents (\$.50) per each one thousand dollars (\$1,000) of construction authorized on any non-residential construction permit issued by any political subdivision of this state. Each subdivision of this state shall be limited to collecting a maximum surcharge of one thousand dollars (\$1,000) on each non-residential construction project receiving a permit.

C. ADMINISTRATION.

- (1) The office of the political subdivision issuing the permit is responsible for remitting the surcharge to the Department of Finance and Administration, Miscellaneous Tax Section. This remittance must be made by the fifteenth (15th) day of the month following the month in which the fee was collected. The remittance shall be made on reports prescribed by the Director.

- (2) The political subdivision shall retain five percent (5%) of each permit surcharge to cover the cost of administration.

#### D. AUDIT AND RECORDS

- (1) Each political subdivision shall submit a report with remittance of the surcharge to the Department on the fifteenth (15 ) day of the month following collection of the surcharge. The report shall detail the total dollar amount of non-residential construction permits issued by the political subdivision for the month, the total dollar amount of surcharge remitted to the Department for the month, the total dollar amount retained by the political subdivision for administrative cost and any other information requested by the Department related to the collection of the surcharge.
- (2) The Department of Finance and Administration shall audit and administer the surcharge in accordance with the Arkansas Tax Procedure Act, Ark. Code Ann. § 26-18-101 et seq.
- (3) Each political subdivision of the state is required to maintain records relating to the issuance of non-residential construction permits and the collection of the surcharge from such issuance in accordance with the record keeping requirements of the Arkansas Tax Procedure Act.

Adopted this 1<sup>st</sup> day of October, 1999.

DICK BARCLAY  
Director  
Department of Finance and Administration

TIM LEATHERS  
Commissioner of Revenues