

# DFA Arkansas Department of Finance and Administration



Mike Beebe, Governor	Arkansas Department of Finance & Administration (DFA) Revenue Division	Richard A. Weiss, Director Tim Leathers, Deputy Director/Commissioner of Revenue
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**Act 233:** This act amends the sales and use tax exemption for pollution control machinery and equipment required by state and federal law used in the refining of petroleum based products to remove sulphur pollutants from the refined product. Repair parts and labor for this machinery and equipment are also exempt from tax. Effective October 1, 2013.

**Act 1084:** This act authorizes economic development incentives and the issuance of general obligation bonds in connection with a steel mill project under Amendment 82 to the Arkansas Constitution. Effective April 11, 2013.

**Act 1476:** This act authorizes economic development incentives and the issuance of general obligation bonds in connection with a steel mill project under Amendment 82 to the Arkansas Constitution. Effective August 16, 2013.

**Act 1392:** This act creates an exemption from the sales and use tax for expendable supplies for farm machinery. Effective October 1, 2013.

**Act 1398:** This act reduces the state sales and use tax on food and food ingredients if certain fund balances exist. This is a companion bill to Act 1450.

**Act 1450:** This act reduces the state sales and use tax on food and food ingredients if certain fund balances exist. This is a companion bill to Act 1398.

**Act 1401:** This act creates an exemption from the sales and use tax for utilities used by a grain drying and storage facility. Effective July 1, 2014.

## Changes in Arkansas Taxes Enacted During the 2013 Regular Legislative Session



During the 2013 Regular Legislative Session, a number of acts affecting Arkansas revenue were enacted. Additional information concerning other acts will be discussed in future newsletters, including any new

rules that may be promulgated as a result of the legislative session.

*The following information lists new sales tax acts:*

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**Act 1404:** This act reduces the sales and use tax relating to the partial replacement and repair of machinery and equipment used directly in manufacturing. Effective July 1, 2014.

**Act 1411:** This act reduces the sales and use tax on natural gas and electricity used by manufacturers. Effective January 1, 2015.

**Act 1414:** This act creates an exemption from the sales and use tax for dental appliances sold by or to dentists or certain other professionals. Effective July 1, 2014.

**Act 1419:** This act creates an exemption from the sales and use tax for nonprofit blood donation organizations. Effective October 1, 2013.

**Act 1441:** This act creates an exemption from the sales and use tax for utilities used by qualifying agricultural structures and qualifying aquaculture and horticulture equipment. Effective January 1, 2014.

For additional information on other sales tax acts, please go to the following webpage: [What's New in Sales Tax in 2013?](#)

## *The following information lists new income tax acts:*

**Act 1284:** This act adopts current internal revenue code provisions concerning the computation of income tax when a taxpayer restores an amount held under a claim of right. Effective January 1, 2013.

**Act 1408:** This act creates an exemption from the income tax for service pay or allowances received by active duty members of the armed services. Effective January 1, 2014.

**Act 1452:** This act creates the Volunteer Firefighter Tax Protection Act. Effective January 1, 2014.

**Act 1459:** This act amends the income tax rates and brackets; and to adjust the minimum and maximum dollar amounts in certain income tax brackets. Effective January 1, 2015.

**Act 1488:** This act amends the laws concerning the standard deduction and the income tax on capital gains. Effective January 1, 2015.

**Act 1254:** This act adopts recent changes to the internal revenue code; and to make technical corrections to the income tax laws. Sections 5 through 8 and 10 of this act were effective beginning on or after January 1, 2012. Sections 1 through 4,

9, and 11 through 16 of this act were effective beginning on or after January 1, 2013.

To view the previously listed sales and use and income tax acts in their entirety, please go to the following webpage: [89th Arkansas General Assembly Act Webpage](#).

## OFFICE OF EXCISE TAX ADMINISTRATION

### 2013 Arkansas Sales Tax Holiday

Instructions for retailers have been issued regarding the Arkansas sales tax holiday for clothing and school-related supplies that will begin Saturday, August 3, 2013, at 12:01 a.m. and end Sunday, August 4, 2013, at 11:59 p.m.

State and local sales tax will not be collected during this 48-hour period on the sale of (1) clothing and footwear with a sales price of less than \$100 per item; (2) clothing accessories and equipment with a sales price of less than \$50 per item; (3) school supplies; (4) school art supplies; and (5) school instructional materials.

For more information about the 2013 Arkansas Sales Tax Holiday, go to the following link: [2013 Arkansas Sales Tax Holiday](#).

## OFFICE OF EXCISE TAX ADMINISTRATION

### Sales Tax Credit for Sale of a Used Vehicle

If a consumer purchases a vehicle and within forty-five (45) days of the date of purchase, either prior to or after such purchase, sells a different vehicle in lieu of a trade-in, the consumer will be entitled to a credit against the sales or use tax due on his or her newly purchased vehicle.

If the consideration for the vehicle purchased by the consumer is greater than the proceeds from the sale of the used vehicle, the consumer shall pay sales or use tax on only the net difference between these amounts.

If the vehicle purchased by the consumer costs less than the proceeds received from the vehicle sold by the consumer, the consumer shall pay no sales tax on his or her newly purchased vehicle. However, the credit shall not exceed the price paid by the consumer for the newly purchased vehicle.

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In order to obtain the sales tax credit, the consumer must provide a properly completed bill of sale to the department. The bill of sale must be signed by both the consumer (seller) and the purchaser. The bill of sale must include the names and addresses of the seller and purchaser, a vehicle description and VIN, the sales price, and date of sale. A bill of sale form and instructions can be found on the following website: [DFA Office of Motor Vehicle Forms Website](#). A credit will not be allowed if a sale does not occur.

## Examples of When a Sale Doesn't Occur

- When the title to a damaged or stolen vehicle is transferred by a consumer to an insurance company in exchange for a cash settlement paid by the insurance company.
- When a vehicle is transferred as a gift.

## Example of When a Sale Does Occur

- There must be a proper transfer of title by the consumer (the seller) to another individual or business enterprise (the buyer) in exchange for cash or the equivalent of cash, such as a check or money order.

## How to Take the Credit

This credit can be taken directly at a local revenue office when registering a newly acquired vehicle if the old vehicle has already been sold. Simply notify the agent at the local revenue office that you have sold and purchased a vehicle within the required 45 days. The taxpayer will be asked to provide a copy of the bill of sale for the vehicle sold when registering the new vehicle to receive immediate tax savings. For those consumers who sell a vehicle after registering and paying tax on another vehicle, then a refund will be given as explained below.

## How to Receive a Refund

When the newly acquired vehicle has already been purchased and registered when the other vehicle is sold, the taxpayer may obtain a refund for part or all of the tax paid on the newly acquired vehicle.

In order to receive a refund, the taxpayer must complete a claim form and provide the documentation requested on the form. Separate forms must be used for each vehicle sold.

A taxpayer may obtain a Claim for Sales or Use Tax Refund Form at any local revenue office, or the form may be downloaded at the following link: [Claim for Sales or Use Tax Refund Form](#).

The information for this article was cited from the following link: [Sales Tax Credit for Sale of a Used Vehicle](#) and also from Rule 2008-3, Gross Receipts Tax Rules, in section GR-12.1, Sales Tax Credit for Private Sale of a Used Vehicle. Rule 2008-3 can be viewed at the following link: [Rule 2008-3, Gross Receipts Tax Rules](#).

## HELPFUL WEBPAGE LINKS

[INDIVIDUAL INCOME TAX ACCOUNT CHANGE FORM](#)

[REQUEST FOR COPY OF ARKANSAS TAX RETURNS](#)

[ELECTRONIC FILING PAYMENT OPTIONS INFORMATION](#)

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

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

[CORPORATION INCOME TAX FORMS](#)

[INCOME TAX REFUND INQUIRY](#)

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

[LOCAL TAX LOOKUP TOOLS](#)

[GENERAL REVENUE REPORT FOR MAY \(FY 2013\)](#)

[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](#)

[TAX CREDITS AND SPECIAL REFUNDS](#)

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

[CERTIFICATE OF TITLE WITH BENEFICIARY](#)

[INDIVIDUAL INCOME TAX E-FILE](#)

[E-FILE ONLINE PROVIDERS](#)

[INDIVIDUAL INCOME TAX FILING INFORMATION AND FORMS WEBPAGE](#)

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

[STATE TAX RATES](#)

# Arkansas State Revenue Tax Quarterly

## OFFICE OF MOTOR VEHICLE ADMINISTRATION

**ARSTAR** Auto Renewal

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](mailto:MVInformation@dfa.arkansas.gov).

## 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 2350	Motor Fuel Tax
Room 2360	Hearings and Appeals
Room 2380	Revenue Legal Counsel
Room 2370	Tax Credits/Special Refunds
Room 2460	Problem Resolution & Tax Information Office

### DFA Revenue



**American  
Red Cross**

DFA/Revenue Division is sponsoring an American Red Cross Blood Drive on Wednesday, August 21, 2013, from 9:00 a.m. to 1:00 p.m., in

Room 2020 in the Ragland Building.

For more information concerning the American Red Cross Blood Drive on August 21st and how to set up an appointment to donate, please go to the following link: [August 2013 American Red Cross Blood Drive](#).

# ATAP

## Arkansas Taxpayer Access Point

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.
- ❖ Change a name on an account.
- ❖ Change an address on an account.
- ❖ Amend a return.
- ❖ Store banking information for use during payment submission.
  
- ❖ View tax period financial information (tax penalty, interest, credits, balance, & etc.).
  
- ❖ View payments received.
- ❖ View recent account activity.
- ❖ View correspondence from the department.

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

To sign up on ATAP, please go to: [ATAP Homepage](#).

## OFFICE OF EXCISE TAX ADMINISTRATION

### Effective July 1, 2013

Amendment 91 to the Arkansas Constitution increases the state sales and use tax by 0.5% beginning July 1, 2013. The reduced tax rate for food is not affected by the increase. The increased rates are listed below:

- State sales and use tax increasing to 6.5%
- Manufacturing utilities reduced rate increasing to 3.25%
- Electricity manufacturing reduced rate increasing to 4.75%
- Reduced rate for food remaining at 1.5%



# Arkansas State Revenue Tax Quarterly

## **Important: Upcoming Local Sales & Use Tax Changes in Arkansas Counties & Towns**

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

Name	Code	Effective Date	%	Recent Action
Eureka Springs	08-01	07/01/13	2.375	Increased
Pangburn	73-13	07/01/13	1.00	Enacted
Searcy	73-15	07/01/13	0.50	Decreased
Vilonia	23-04	07/01/13	2.50	Annexation
Jackson County	34-00	07/01/13	2.25	Increased
Osceola	47-01	07/01/13	0.00	Rescinded

## **OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE)**

### **Little Rock Office Address Change**

The Little Rock OCSE began moving to a new location on June 10, 2013. The move will occur over a period of about four weeks in order to transition existing cubicle furniture to the new space.

230 OCSE employees will occupy five floors and the mezzanine of the newly renovated seven-story Mann on Main Building.

In order to provide consistent and ongoing customer service, selected staff and customer service representatives will remain at the old location at 400 East Capitol Avenue, Little Rock, AR 72202 until an estimated date of July 12, 2013.

The new office is located at the following address:

**Little Rock Office of Child Support Enforcement  
322 South Main Street, Suite 100  
P. O. Box 8057  
Little Rock, AR 72203**

The Little Rock OCSE may still be contacted at the following:

**Phone: 501-371-5400**  
**Email: [support.littlerock@ocse.arkansas.gov](mailto:support.littlerock@ocse.arkansas.gov)**  
**Office hours: 8:00 a.m.-4:00 p.m.**

For more information concerning the address change, please go to the following link: [Arkansas Office of Child Support Enforcement \(OCSE\) Address Change Information](#).

## **OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE)**

### **OCSE MyWorkers Website**



OFFICE OF CHILD SUPPORT ENFORCEMENT  
WEBSITE FOR EMPLOYERS

Log on to **OCSE MyWorkers** to have access to your online company information.

**New!**

<https://www.ark.org/MyWorkers>

The advertisement features a photograph of four business professionals (three men and one woman) in a meeting, looking at a laptop and a tablet. The text is overlaid on the image.

# Calendar of Due Dates

## July 22<sup>nd</sup>

07/22/13—Dyed Diesel—Motor Fuel Tax. Sales & Use Tax.  
 07/24/13—Sales Tax (2<sup>nd</sup> monthly prepayment).  
 07/25/13—Motor Fuel Tax (Except IFTA). Severance Tax.  
 07/31/13--IFTA

## August

08/12/13—Sales Tax (1<sup>st</sup> monthly prepayment).  
 08/14/13—Employee monthly withholding tax, for prior month.  
 (EFT filers only).  
 08/15/13—Employee monthly withholding tax, for prior month.  
 Miscellaneous Tax (Except Severance Taxes).  
 08/20/13—Dyed Diesel—Motor Fuel Tax. Sales & Use Tax.  
 08/26/13—Sales Tax (2<sup>nd</sup> monthly prepayment).  
 08/26/13—Motor Fuel Tax (Except IFTA).  
 08/26/13—Severance Tax.

## September

09/12/13—Sales Tax (1<sup>st</sup> monthly prepayment).  
 09/13/13—Employee monthly withholding tax, for prior month  
 (EFT filers only). 3<sup>rd</sup> Qtr estimated income tax (Based on  
 calendar year filer) (EFT filers only).  
 09/16/13—Employee monthly withholding tax, for prior month.  
 Ark income tax returns (Cooperative association). (Based on  
 calendar year filers; return due date 8 ½ months after end of  
 tax year). 3<sup>rd</sup> Qtr estimated income tax (Based on calendar  
 year filer). Miscellaneous Tax (Except Severance Taxes).  
 09/20/13—Dyed Diesel—Motor Fuel Tax. Sales & Use Tax.  
 09/24/13—Sales Tax (2<sup>nd</sup> monthly prepayment).  
 09/25/13—Motor Fuel Tax (Except IFTA). Severance Tax.

## Through October 15<sup>th</sup>

10/11/13—Employee monthly withholding tax, for prior month  
 (EFT filers only).  
 10/15/13—Employee monthly withholding tax, for prior month.  
 10/15/13—Sales Tax (1<sup>st</sup> monthly prepayment). Miscellaneous  
 Tax (Except Severance Taxes).  
 10/15/13—Sales and Use Tax.

# Contact Info

Corporate Income Tax	501-682-4775
Taxpayer Assistance for Individual Income Tax	501-682-1110 800-882-9275
<a href="#">Sales and Use Tax</a> (Tax Inquiries)	501-682-7104
Motor Fuel Tax	501-682-4880
<a href="#">Problem Resolution and Tax Information Office</a>	501-682-7751
Collections	501-682-5000 501-682-4720
<a href="#">IRS (Taxpayer Advocate)</a>	501-396-5978
<a href="#">IRS Taxpayer Assistance</a>	800-829-1040
<a href="#">IRS Federal Tax Forms</a>	800-829-3676
<a href="#">Revenue Legal Counsel</a>	501-682-7030
<a href="#">Motor Vehicle Administration</a>	501-682-4692
<a href="#">Field Audit Administration</a>	501-682-4616
<a href="#">Driver Services Administration</a>	501-682-7060
<a href="#">Revenue Administration</a>	501-682-7025
<a href="#">Withholding Tax</a>	501-682-7290
<a href="#">Miscellaneous Tax Section</a>	501-682-7187

## Arkansas State Revenue Tax Quarterly



The Arkansas State Revenue Tax Quarterly is a publication of the Problem 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 Monica Carmichael by email at: [Monica.Carmichael@dfa.arkansas.gov](mailto:Monica.Carmichael@dfa.arkansas.gov), or by mail at Problem 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 Rule Email Distribution List Sign-Up information

The Problem Resolution and Tax Information Office notifies all interested parties via email when the Revenue Section of DFA promulgates any rules.



To be added to the email distribution list, please email Monica Carmichael at: [Monica.Carmichael@dfa.arkansas.gov](mailto:Monica.Carmichael@dfa.arkansas.gov).

Please state in the email that you would like to be added to the email distribution list to be notified about any changes to DFA's Revenue rules.

The rules (regulations) can be accessed at the following link: [Revenue Rules](#).

### Arkansas Excise and Income Tax Due Date Calendar for 2013

The 2013 Arkansas Excise & Income Tax Due Date Calendar is available at the following link: [2013 Arkansas Excise & Income Tax Due Date Calendar](#).

## Suggestions Corner

If you have any suggestions about items to be included on any future newsletters, please email your suggestions to [Monica.Carmichael@dfa.arkansas.gov](mailto:Monica.Carmichael@dfa.arkansas.gov).

### Upcoming State Observed Holidays

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

✚ Monday, September 2, in observance of Labor Day

### 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](mailto:fieldAudit@dfa.arkansas.gov).