

DFA Arkansas Department of Finance and Administration

Asa Hutchinson, Governor	Arkansas Department of Finance & Administration (DFA) Revenue Division	Larry W. Walther, Director Walter C. Anger, Deputy Director/Commissioner of Revenue
Arkansas State Revenue Tax Quarterly Newsletter, Volume XXV, Qtr. No. 1	ARKANSAS DFA HOMEPAGE	January, February, March 2019

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OFFICE OF SALES AND USE TAX ADMINISTRATION

Sales Tax

The State Tax Rate on food and food ingredients is reduced from 1.5% to 0.125%.

Effective January 1, 2019

OFFICE OF INCOME TAX ADMINISTRATION

Individual Income Tax

2018 What's New

INFORMATION FOR TAX YEAR 2018

Additional Information Requested for e-File – The State of Arkansas will once again be requesting additional information this season as was the case in 2017 in an effort to continue combatting identity tax fraud and ensure that your hard-earned refund goes to you. Providing information from your driver's license or state-issued identification card will help protect your identity and could help process your return quicker. However, this is only a request. Information from your driver's license is not required, and your return will be processed without the additional information. The information is being requested solely to help protect your identity and ensure a more-secure refund.

Military Retirement Exemption (Act 141 of 2017) –

Beginning with tax year 2018, retirement benefits received by a member of the uniformed services as defined in this Act are exempted from the income tax.

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Arkansas Tax-Deferred Tuition Savings Program Amended

– Acts 8 and 15 of the 2018 Second Extraordinary Session amended the Arkansas Tax-Deferred Tuition Savings Program pursuant to 26 U.S.C. 529 in response to the federal Tax Cuts and Jobs Act as in effect January 1, 2018. Distributions can now be used to pay qualified higher education expenses for elementary or secondary public, private or religious schools.

Unemployment Income Taxable (Act 141 of 2017)

– Beginning with tax year 2018, Unemployment Compensation received will no longer be exempt income and is subject to the income tax.

Tax Cuts and Jobs Act – Arkansas has not conformed to certain provisions in the Tax Cuts and Jobs Act (TCJA), P.L. 115-97 enacted in December of 2017

Corporation Income Tax

Act 434 of 2017 amends ACA 26-51-409(b) to require a corporation filing a federal Subchapter S income tax return to file an Arkansas Subchapter S income tax return. ACA 26-51-413(b) is repealed. Federal Subchapter S corporations will no longer be allowed to file Arkansas C corporation income tax returns for tax years beginning on or after January 1, 2018. Overpayments made for 2017 estimate payments or 2018 Estimated Credit Carryforwards will be applied to Composite Accounts, Withholding or refunded but will not be applied to Individual Accounts.

Effective for tax years beginning on and after January 1, 2018.

OFFICE OF MOTOR VEHICLE ADMINISTRATION

Motor Vehicle Services

The Office of Motor Vehicle, the Office of Driver Services and the International Registration Plan (IRP) Office, began 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 tax payers to check the status of their application for title.

Transfer Ownership – This service will help tax payers 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 tax payers to print a duplicate registration online.

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

Online Pre-Registration – This service will allow tax payers to input specific Motor Vehicle details and receive a confirmation code for submission. The tax payer 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 tax payers 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.
Effective January 1, 2018



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.

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OFFICE OF DRIVER SERVICES

New Services

The Office of Driver Services began offering the following services online at mydmv.arkansas.gov:

Change of Address Notification – Arkansans may now update any change of address online. State law requires notification within 10 days of a change of address.

Pre-Registration for First Time License or ID Card – This will allow those obtaining a first-time license or ID card the opportunity to pre-register online, reducing time spent in the Revenue Office.

Update your renewal notice preferences to email or text – Driver license and identification card renewal notices will no longer be mailed, but you may receive them by email or text by registering your preference online.

Request Records - Requests for records including a driver's license status/clearance letter and a license reinstatement requirements letter may now be performed online.

Enter Medical Information - Commercial Drivers now have the opportunity to enter their required medical information online.

Emergency Contact Information - Arkansans may now update their emergency contact information online.

Effective January 1, 2018

NEW DRIVER'S LICENSE AND STATE IDENTIFICATION CARD

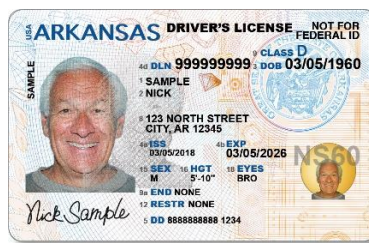
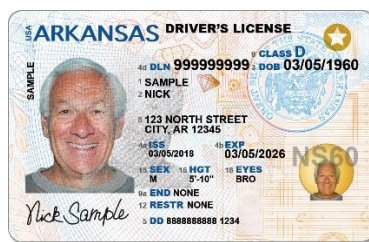
The Arkansas Department of Finance and Administration (DFA) today announced a newly designed Arkansas driver's license and ID card will be issued beginning July 9 at certain Revenue Offices, with each of the 134 Revenue Offices throughout the state issuing the new card by August 28. The new card features distinctive Arkansas images. These include the gold front doors of the State Capitol along with diamonds. The back of the card features a full image of the State Capitol.

Existing licenses and cards, including those issued recently, remain effective through the expiration date. However, if Arkansans would like the new version, they may order a duplicate either in person at a Revenue Office or online at mydmv.arkansas.gov. The cost is ten dollars for a license and five dollars for an ID. Both are available online beginning July 9. "Arkansas Real IDs" are also eligible for a duplicate order either in person or online.

The new card incorporates innovative security features such as a "ghost image" in the lower right hand corner.

"Over the last three years DFA has prioritized the use of new technology to improve and simplify the services we provide to Arkansans," said DFA Director Larry Walther. "The new license is a great example of this effort. We incorporated new security features that protect citizens from fraud through duplication."

There were 2.15 million active Arkansas driver's licenses in 2017 along with more than 353,000 ID cards. Arkansas is a "one card state," allowing each citizen either one driver's license or ID card. **Newly designed Arkansas driver's license/ID card to be rolled out this summer**
New security features added to protect Arkansans



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If you just renewed or if still you have time on your current DL/ID it remains valid until expiration.

Those interested in the date the new license/card will be available at a your local state revenue office may visit [click here](#). You can also click on the [DFA Driver Services](#) link for more information on the Arkansas new driver's license and identification cards.

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 Problem Resolution & Tax Information Office

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 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.

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

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.officialpayments.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.

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](#)

City County Name	or Code	Effective Date	%	Recent Action
Hamburg	02-03	1/1/2019	3.00	Increased
Rogers	04-02	1/1/2019	2.00	Annexation
Bentonville	04-03	1/1/2019	2.00	Annexation
Centerton	04-09	1/1/2019	2.00	Annexation
Cave Springs	04-11	1/1/2019	1.00	Deannexation
Piggott	11-03	1/1/2019	2.00	Increased
Cash	16-06	1/1/2019	1.00	Annexation
Van Buren	17-02	1/1/2019	2.00	Annexation

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Ozark	24-07	1/1/2019	2.00	Annexation
Mammoth Spring	25-01	1/1/2019	1.00	Annexation
Marmaduke	28-03	1/1/2019	1.250	Annexation
Pleasant Plains	32-08	1/1/2019	2.00	Annexation
Flippin	45-02	1/1/2019	1.00	Annexation
Jasper	51-01	1/1/2019	2.00	Annexation
Murfreesboro	55-05	1/1/2019	1.50	Annexation
Bryant	62-01	1/1/2019	3.00	Annexation
Baxter County	03-00	1/1/2019	1.25	Increased
Grant County	27-00	1/1/2019	1.00	Decreased
Perry County	53-00	1/1/2019	2.25	Decreased

Severance Tax
 Motor Fuel Tax (Except IFTA)
 02/28/19 Employer's annual reconciliation of income tax withheld for (Monthly filers) Miscellaneous Tax-Soybean Promotion

March

03/12/19 Sales Tax (1st monthly prepayment)
 03/15/19 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

03/20/19 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
 03/25/19 Sales Tax (2nd monthly prepayment)
 Severance Tax
 Motor Fuel Tax (Except IFTA)
 03/29/19 Miscellaneous Tax-Soybean Promotion

Calendar of Due Dates

January

01/14/19 Sales Tax (1st monthly prepayment)
 01/15/19 4th Qtr. Individual estimated income tax (Based on calendar year filer) Employee monthly withholding tax, for previous month
 01/22/19 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,
 01/24/19 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
 01/24/19 Sales Tax (2nd monthly prepayment)
 01/25/19 Motor Fuel Tax (Except IFTA)
 Severance Tax
 01/31/19 Soybean Promotion
 Employee withholding tax return for prior year (Annual filers)
 W2's and 1099's
 IFTA - 4th Quarter 2018 return

February

02/12/19 Sales Tax (1st monthly prepayment)
 02/15/19 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
 02/20/19 Miscellaneous Tax - Wheat, Waste Tire, Electronic Games of Skill, Wine-Small Farm, Other Tobacco Products
 Sales & Use Tax, monthly report for previous month
 Dyed Diesel - Motor Fuel Tax
 02/25/19 Sales Tax (2nd monthly prepayment)

[Calendar Due Dates for 2019](#)



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.

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- ❖ [View recent account activity.](#)
- ❖ [View correspondence from the department.](#)

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

[REQUEST FOR TITLE WITH BENEFICIARY](#)

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

[STATE TAX RATES](#)

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](#)

Contact Info

[Corporate Income Tax](#) 501-682-4775

Taxpayer Assistance for
[Individual Income Tax](#) 501-682-1110
800-882-9275

[Sales and Use Tax](#) 501-682-7104
(Tax Inquiries)

[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

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DFA REVENUE



DFA/Revenue Division is sponsoring a Blood Drive with the Arkansas Blood Institute on Tuesday,

February 12, 2019, from 9:00 a.m. to 1:30 p.m., in Room 2020 in the Ragland Building.

FYI: Food trucks are now periodically serving food on the corner of 7th and Marshall Streets, in between the Ledbetter and Justice buildings. The food trucks are usually scheduled to arrive between 10:30 am to 2:00 pm, Monday-Thursday.

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 Brandon Smith at: Brandon.Smith@dfa.arkansas.gov

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

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



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 Brandon Smith by email at: Brandon.Smith@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](#).

Upcoming State Observed Holidays

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

- ✚ Monday, January 21st in observance of Dr. Martin Luther King Jr.'s Birthday
- ✚ Monday, February 18th in observance of George Washington's Birthday & Daisy Gatson Bates Day

Suggestion's Corner

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