



Arkansas State Revenue Tax Quarterly

Mike Beebe, Governor

Department of Finance & Administration (DFA)
Revenue Division

Richard A. Weiss, Director
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[DFA HOMEPAGE](#)

October, November, and December 2010

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directly to the webpage link at: [New Online Driver's License Reinstatement Fee](#).

As noted on the webpage, driving privileges will not be fully reinstated until you have satisfied all reinstatement requirements. Also, CDL drivers are required to re-test for a CDL license if suspension has been in effect 1 year or longer.

The new online driver's license reinstatement payment option was made possible by DFA's Purchasing Section acquiring a driver's license contract with 3M Security Systems. The contract covers the development of a new and more secure driver's license and identification (ID) card as well as replacement of the cameras and printers in the revenue offices.

For more information on the new online driver's license reinstatement fee payment option, please contact Tonie Shields, Administrator for the Office of Driver Services, at Arkansas DFA at 501-371-5581.

OFFICE OF DRIVER SERVICES

New Online Driver's License Reinstatement Fee Payment Option



On August 3, 2010, the Arkansas DFA and the Information Network of Arkansas (INA) launched the new

online driver's license reinstatement fee payment option. Anyone with a suspended license may now pay their reinstatement fees online. The webpage link may be found on the front page of the [DFA Homepage](#) or go

OFFICE OF INCOME TAX ADMINISTRATION

Withholding Tax Payment Vouchers

It is extremely important that taxpayers use the appropriate voucher when making manual payments on their withholding tax accounts for a specific month because a scan line at the

bottom of the voucher is specific to a certain month on the tax account.

If a taxpayer attempts to use an old voucher to make a payment, it will cause an error on the account. If taxpayers need replacement vouchers, they can call the Withholding Tax Section at 501-682-7290 to order more vouchers.

**OFFICE OF EXISE TAX
ADMINISTRATION**



Streamlined Sales Tax Collections

Arkansas is a full member of the Streamlined Tax Governing Board. The following table illustrates how Streamlined Sales Tax Collections have increased since 2005.

Calendar Year	Sales and Local Tax Collections	Registrations
2005	\$ 142,891	110
2006	\$2,057,138	561
2007	\$4,972,311	664
2008	\$6,716,412	1,167
2009	\$7,259,093	1,203
2010	\$3,019,626 (as of May 2010)	1,262 (as of July 2010)

For additional information, click on the following link: [Streamline Sales Tax Project](#).

You may also contact Tom Atchley, Administrator for the Office of Excise Tax Administration, at the Arkansas Department of Finance and Administration at 501-682-7200.

Arkansas Integrated Revenue System (AIRS) Update

AIRS is based on the FAST Enterprises Gentax Software product. This system modernizes processing and record keeping for all state taxes, and it offers more comprehensive taxpayer service capabilities.

The following tax sections have already been included in AIRS: Sales Tax, Collections, Bankruptcy, Discovery, Audit, Withholding, Natural Gas Severance, and Motor Fuel.

On January 10, 2011, the 3rd AIRS Rollout will be implemented, and it will include the Individual Income Tax Section. This will be the last major tax section to become a part of the AIRS system. AIRS Rollout 4 and 5 will include the remaining Miscellaneous Tax Sections in 2011.

For more information on the third AIRS Rollout and to view the AIRS in Action newsletter, please go to the following webpage: [Information on Rollout 3 of AIRS](#).

NOTICE IMPORTANT UPCOMING AIRS ROLLOUT

WEBPAGE LINKS



[PREVIOUS ARKANSAS STATE TAX QUARTERLIES & OTHER PUBLICATIONS](#)

[ARKANSAS TAXPAYER ACCESS POINT \(ATAP\)](#)

[FEDERAL EMPLOYER IDENTIFICATION NUMBER
APPLICATION](#)

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

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

[MOTOR FUEL TAX](#)

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

[INDIVIDUAL INCOME TAX E-FILE](#)

[INCOME TAX REFUND INQUIRY](#)

[CORPORATION INCOME TAX FORMS](#)

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

[TAX CREDIT AND SPECIAL REFUND](#)

Calendar of Due Dates



October

10/12/10-Sales Tax (1st monthly prepayment).
10/14/10-Employee monthly withholding tax, for prior month (EFT filers only).

10/15/10-Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

10/20/10-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
10/25/10-Sales Tax (2nd monthly prepayment). Motor Fuel Tax (Except IFTA). Severance Tax.

10/31/10-IFTA.

November

11/12/10-Sales Tax (1st monthly prepayment). Employee monthly withholding tax, for prior month (EFT filers only).

11/15/10-Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

11/22/10-Dyed Diesel- Motor Fuel Tax. Sales & Use Tax.
11/24/10-Sales Tax (2nd monthly prepayment).
11/26/10-Motor Fuel Tax (Except IFTA). Severance Tax.

December

12/13/10-Sales Tax (1st monthly prepayment).
12/14/10-Employee monthly withholding tax, for prior month (EFT filers only). 4th Qtr Corp estimated income tax (Based on calendar year filer) (EFT filers only).

12/15/10-Employee monthly withholding tax, for prior month. 4th Qtr Corporation estimated income tax (Based on calendar year filer) Miscellaneous Tax (Except Severance Taxes).

12/20/10-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
12/27/10-Motor Fuel Tax (Except IFTA). Severance Tax.
Sales Tax (2nd monthly prepayment).

Contact Info

Corporate Income Tax	501-682-4775
Taxpayer Assistance for Individual Income Tax	501-682-1100 800-882-9275
Automated Refund Inquiry & Tele-tax Information	501-682-0200 800-438-1992
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
Revenue Legal Counsel	501-682-7030
Motor Vehicle Administration	501-682-4692
Field Audit Administration	501-682-4616
Driver Services Administration	501-682-7060
Revenue Administration	501-682-7025
Arkansas Taxpayer Access Point (ATAP)	501-683-2827 877-280-2827
Withholding Tax	501-682-7290
Miscellaneous Tax Section	501-682-7187
IRS Taxpayer Assistance/Refund Information	800-829-1040
IRS Federal Tax Forms	800-829-3676
IRS (Taxpayer Advocate)	501-396-5978

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
Anthonyville	18-12	10/01/10	2.00	Enacted
Booneville	42-10	10/01/10	2.00	Increased
Caddo Valley	10-01	10/01/10	2.00	Increased
Farmington	72-16	10/01/10	3.00	Increased
Hazen	59-01	10/01/10	3.00	Increased
Holly Grove	48-03	10/01/10	3.00	Increased
Piggott	11-03	10/01/10	2.00	Increased
Greene County	28-00	10/01/10	1.00	Decreased

OFFICE OF FIELD AUDIT

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.



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, or by mail at Problem Resolution and Tax Information Office, Ledbetter Building, Room 2460, P. O. Box 1272, Little Rock, Arkansas 72203-1272.

OFFICE OF EXCISE TAX ADMINISTRATION

Reminder: Act 695—Reduced Sales Tax Rate of 3.25% for Natural Gas or Electricity Used Directly in Manufacturing Process

The statute of limitations period for claiming a refund of sales taxes paid in excess of the reduced 3.25% tax rate is 3 years. All manufacturers eligible for the reduced rate must certify their utility meter usage for manufacturing purposes.

After manufacturers receive their certification (which expires after 3 years), they either pay the reduced rate to their suppliers, report the tax at the reduced rate on their own tax reports, or file a claim for refund if their supplier charged them the full 6% sales tax rate.

To view or complete forms to receive a refund for overpayment of state tax on purchases of natural gas or electricity used or consumed by manufacturers, click on the following link(s):

- [Application for Refund for Overpayment of State Tax on Purchases of Natural Gas or Electricity Used or Consumed by Manufacturers](#)

- [Manufacturing Utility Reduced Rate Application and Recertification](#)

For more information on Act 695, click on the following link: [Act 695 of the 2009 Regular Session](#).

Also, go to the following link for more information: [Sales & Use Tax Section](#). You may also contact them by phone at 501-682-1895.

OFFICE OF INCOME TAX ADMINISTRATION

Reporting Gambling Income and Expenses

Gambling winnings are fully taxable and must be reported on your tax return as "Miscellaneous Income". Gambling income includes, but is not limited to, winnings from lotteries, raffles, horse races, and casinos, as well as fair market value of prizes such as cars and trips.

If you itemize your deductions, you may claim your gambling losses as a miscellaneous deduction not subject to the 2% deduction on Form AR3, Itemized Deduction Schedule. You cannot deduct more losses than the amount of gambling winnings you report on your return. It is important to keep an accurate record of your gambling winnings and losses—you must provide receipts, tickets, or statements to document your winnings and losses, if requested.

Information for this article was cited from the following webpage: [Individual Income Frequently Asked Questions](#).

If you need information on other income tax issues, please contact the Income Tax Section at the number listed in the Contact Info Section under Taxpayer Assistance for Individual Income Tax on page 4 of this newsletter.

OFFICE OF INCOME TAX ADMINISTRATION

Rule 2010-2 Standard Mileage Rates for Income Tax Purposes

Rule 2010-2 was promulgated in May 2010, but it became effective January 1, 2010.

The rule sets the optional standard mileage rates as follows:

1. For employees or self-employed individuals, the rate will decrease by 5¢ from 55¢ to 50¢ per mile.
2. For transportation expenses deductible as a medical or moving expense, the rate will also decrease by 7.5¢ from 24¢ to 16.5¢ per mile.
3. For charitable organizations, the rate will remain at 14¢ per mile.

To read more information on this rule, please go to the Final Rule Section on the [DFA Rule Webpage](#).

Arkansas Excise and Income Tax Due Date Calendar for 2010

The Arkansas Excise and Income Tax Due Date Calendar for 2010 is available at the following link: [Due Date Calendar for 2010](#)

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.

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.



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](#)