



Arkansas State Revenue Tax Quarterly

Mike Beebe, Governor

Department of Finance & Administration (DFA)
Revenue Division

Richard A. Weiss, Director
Tim Leathers, Commissioner

Volume XVI, No. 2

DFA Homepage: dfa.arkansas.gov

April, May, and June 2010

Included in this Issue	Page
How to Request a Legal Opinion	1
Consumer Use Tax Form & Power of Attorney Form	2
Contact Info & Calendar of Due Dates	3
Webpage Links, Arkansas Excise and Income Tax Due Date Calendar for 2010, Updates in Local Sales and Use Tax Rates, & Reporting Suspicious Tax Activities	4
AIRS Update, Sign-up for Arkansas State Revenue Tax Quarterly, Suggestion Corner, & Sign-up for Rule Email Distribution List	5

OFFICE OF REVENUE LEGAL COUNSEL

How to Request a Legal Opinion



If a taxpayer or its representative has one or more questions concerning the taxation of a particular service or tangible personal property, he or she may request a legal opinion from the Office of Revenue Legal Counsel. The request must clearly state the tax issue(s) and all of the facts regarding the transaction(s). If the issue involves an exemption, the request must state the facts necessary to determine whether the entity or property is exempt from tax. Opinions are binding, if the taxpayer is disclosed, for a period of three years, unless there is a change in the law or the facts upon which the opinion is based,

and to the extent that the correct facts were provided in connection with the request.

The request is assigned to an attorney to research the issues and draft a response, which is reviewed by Chief Counsel and the administrator of the applicable tax section(s). Accordingly, the response will likely take 60 days or longer from the date of the request. Responses to opinions are generally made in the order of the receipt of requests.

The Arkansas Supreme Court held in *Ryan v. Weiss*, 371 Ark. 43 (2007) that legal opinions written by Revenue Legal Counsel attorneys are subject to disclosure in response to Freedom of Information Act inquiries following redaction of information that might identify the person or entity that requested the opinion.

A request for an opinion should be mailed or emailed to:

Martha G. Hunt, Chief Counsel
Revenue Legal Counsel
P. O. Box 1272, Room 2380
Little Rock, AR 72203-1272
Email: Martha.Hunt@dfa.arkansas.gov
Office: 501-682-7030
Fax: 501-682-7599

OFFICE OF EXCISE TAX

Consumer Use Tax Form

If you purchased taxable merchandise outside the state of Arkansas for use, storage, consumption, or distribution within the state, a state and local consumer use tax may be due on the purchase price, including transportation charges.

Because of the increase in purchases made through mail order, telephone, and the Internet, there is a concern that individuals may not be aware of their obligation to report the consumer use tax on untaxed out of state purchases. Individuals and businesses purchasing items such as books, furniture, jewelry, food, clothing, or other property for storage, use, or consumption in this state should pay the use tax directly to the state if tax was not collected by the seller.

The use tax is a companion tax to the sales tax. Its purpose is to raise revenue to pay for schools, prisons, and other services provided by the state and to protect local merchants from the unfair advantage of out of state sellers who do not collect Arkansas' sales tax. The consumer use tax has been in effect since 1949.

The use tax rate is the same as the sales tax rate, 6.00% for all transactions except food purchases which has a reduced rate of 2% plus the applicable city and/or county rates where the merchandise is delivered in the state. The tax applies to the purchase price of the merchandise plus shipping and handling charges that the merchant adds to your bill. If the total tax due is greater than \$100 per month, the use tax report should be filed on a monthly basis. If the total tax due is \$25-\$100 per month, the use tax report should be filed on a quarterly basis. If the total tax due is less than \$25 per month, the use tax report should be filed on an annual basis.

To view the Consumer Use Tax form or the contents of this article, please go to the following link:

dfa.arkansas.gov/offices/exciseTax/salesanduse/Documents/ConsumerUseTaxForm.pdf.

Please call the Sales and Use Tax Section at (501) 682-7104 if you have questions or need additional consumer use tax forms.

REVENUE

Power of Attorney Form

The purpose of the Arkansas Department of Finance and Administration's (DFA) Power of Attorney (POA) form is to authorize an individual to represent the taxpayer before DFA with regard to tax matters.

The POA form authorizes the representative to perform any and all acts the taxpayer can perform, with the exception of receiving refund checks, the power to substitute another representative, the power to sign returns, the power to execute a request for disclosure of tax returns, or return information to a third party.

If a taxpayer has selected you as a POA, mail or fax the POA form to the Arkansas DFA tax office managing the tax matter.

The federal Form 2848 may be used in lieu of the Arkansas DFA POA form (provided the proper Arkansas tax type(s), tax form references, tax period(s), or year(s) are identified on the federal form).

If you need to view or complete an Arkansas DFA POA form, please go to the following link:

dfa.arkansas.gov/offices/legalCounsel/Documents/dfa_poa.pdf.

Contact Info

Telephone Information



Corporate Income Tax	501-682-4775
Taxpayer Assistance for Individual Income Tax	501-682-1100 800-882-9275
Automated Refund Inquiry & Telephone Information	501-682-0200 800-438-1992
Sales and Use Tax	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	501-682-7087
Arkansas Taxpayer Access Point (ATAP)	501-683-2827 877-280-2827
Withholding (Income 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

Calendar of Due Dates



April

4/20/10-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
4/26/10-Sales Tax (2nd monthly prepayment). Motor Fuel Tax (Except IFTA). Severance Tax.

4/30/10-IFTA.

May

5/01/10-Franchise Tax.
5/12/10-Sales Tax (1st monthly prepayment).
5/14/10-Employee monthly withholding tax, for prior month (EFT filers only).

5/17/10-Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

5/20/10-Dyed Diesel- Motor Fuel Tax. Sales & Use Tax.
5/24/10-Sales Tax (2nd monthly prepayment).
5/25/10-Motor Fuel Tax (Except IFTA). Severance Tax.

June

6/14/10-Sales Tax (1st monthly prepayment). Employee monthly withholding tax, for prior month (EFT filers only). 2nd Qtr estimated income tax (Based on calendar year filer) (EFT filers only).

6/15/10-Employee monthly withholding tax, for prior month. 2nd Qtr estimated income tax (Based on calendar year filer). Miscellaneous Tax (Except Severance Taxes).

6/21/10-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.

6/24/10-Sales Tax (2nd monthly prepayment).
6/25/10-Motor Fuel Tax (Except IFTA). Severance Tax.

Through July 15th

7/12/10-Sales Tax (1st monthly prepayment).
7/14/10-Employee monthly withholding tax, for prior month (EFT filers only).

7/15/10-Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

Bookmark These Webpage Links



NOTICE: ARKANSAS TAXPAYER ACCESS POINT (ATAP) WEBPAGE LISTED BELOW!!!

DFA HOMEPAGE:
dfa.arkansas.gov

Arkansas Taxpayer Access Point (ATAP)
atap.arkansas.gov

INDIVIDUAL INCOME TAX FILING INFORMATION AND FORMS
 Information and Forms:
dfa.arkansas.gov/offices/incomeTax/individual/Pages/forms.aspx

INDIVIDUAL INCOME TAX E-FILE:
dfa.arkansas.gov/offices/incomeTax/eFile/Pages/onlineProviders.aspx

INCOME TAX REFUND INQUIRY:
ark.org/dfa_ri/app/login.html

CORPORATION INCOME TAX FORMS:
dfa.arkansas.gov/offices/incomeTax/corporation/Pages/corpForms.sx

SMALL BUSINESS CORPORATE (SUB-S) Reporting Forms:
dfa.arkansas.gov/offices/incomeTax/subS/Pages/default.aspx

TAX CREDIT AND SPECIAL REFUND:
dfa.arkansas.gov/offices/exciseTax/TaxCredits/Pages/default.aspx

APPLICATION FOR SALES TAX PERMIT:
dfa.arkansas.gov/offices/exciseTax/salesanduse/Documents/ApplicationforSalesandUseTaxPermit.pdf

REVENUE RULES:
dfa.arkansas.gov/offices/policyAndLegal/Pages/revenueRules.aspx

Date Calendar for 2010

The Arkansas Excise and Income Tax Due Date Calendar for 2010 is available on the Arkansas DFA website. To view the entire calendar, click on the following link:

dfa.arkansas.gov/Documents/dueDateCalendar.pdf

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:

dfa.arkansas.gov/offices/exciseTax/salesanduse/Pages/RecentChangesinLocalTaxes.aspx

Name	Code	Effective Date	%	Recent Action
Bella Vista	04-23	04/01/10	1.000	Enacted
Gillett	01-04	04/01/10	3.000	Increased
Imboden	38-06	04/01/10	1.000	Enacted

OFFICE OF FIELD AUDIT

Reporting Suspicious Tax Activities

To report suspicious tax activities, please go to the following webpage:
dfa.arkansas.gov/offices/fieldAudit/Pages/SuspiciousTaxActivityReporting.aspx

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.

Arkansas Integrated Revenue System (AIRS) Update

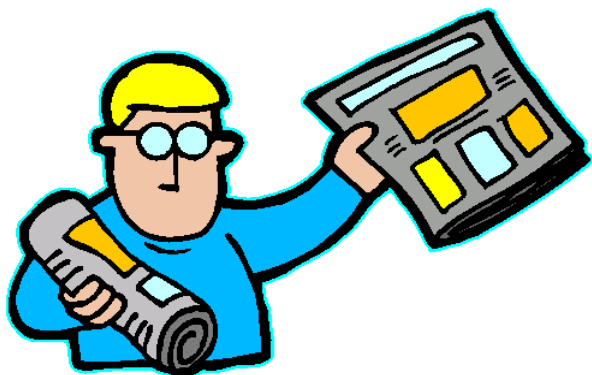
The preparations for the third rollout of AIRS have begun. The third rollout will integrate the following tax sections to AIRS:

- Individual Income Tax Section
- Corporate Income Tax Section

The scheduled date for Rollout 3 is January 10, 2011.

Information for this article was gathered from the *AIRS in Action Volume 3, Issue 2* newsletter dated March 17, 2010.

For more information on the third AIRS Rollout and to view the AIRS in Action newsletter, please go to the following webpage: is-intweb-01/gentax.



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.

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:

dfa.arkansas.gov/offices/policyAndLegal/Pages/revenueRules.aspx