



# Arkansas State Revenue Tax Quarterly

Mike Beebe, Governor

Department of Finance & Administration (DFA)  
Revenue Division

Richard A. Weiss, Director  
Tim Leathers, Commissioner

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[DFA HOMEPAGE](#)

July, August, and September 2010

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## ARKANSAS TAXPAYER ACCESS POINT (ATAP) UPDATE

ATAP is a web-based service that will give taxpayers, or their designated representative, online access to their tax accounts. You can currently access the following accounts on ATAP: Sales and Use Tax, Withholding Tax, Motor Fuel Tax, and Natural Gas Severance Tax. As of June 2010, 31,867 taxpayers had registered for ATAP. The combined registration forms on ATAP have replaced the previous way of registering for taxes individually. Taxpayers can also change and update information more effectively on ATAP.

One of the major issues to date on ATAP is that taxpayers aren't remembering their usernames and/or passwords. Taxpayers need to make sure they create an ATAP account using a username and password they can remember, or write the user name and password down and keep it in a safe place. There are free applets available on the Internet that taxpayers can download and store usernames and passwords securely. Taxpayers can search the Internet for "Password Keepers" to find applications via the Internet. An ATAP tutorial has been made available for taxpayers from the login page of ATAP that is strongly recommended for all new users to complete prior to creating an ATAP account. In January 2011, Individual Income Tax and Corporation Income Tax Sections will be added to ATAP on a limited basis.

If taxpayers need further assistance with making payments on their tax accounts or creating usernames or passwords on ATAP, they will be routed to the Help Desk, and the Help Desk employees will be happy to assist the taxpayers. You may reach the ATAP Help Desk at 877-280-2827 or 501-683-2827. You may also email ATAP Technical Support at [atap\\_help@dfa.arkansas.gov](mailto:atap_help@dfa.arkansas.gov).

In the future, ATAP will provide taxpayers with a single point of contact for their tax needs.

## OFFICE OF INCOME TAX

### Individual & Corporation Income Tax Filing Extension Information

The deadline for filing your Arkansas Individual Income Tax Return, with a previously filed extension, is October 15, 2010. In order to take advantage of the federal automatic extension of filing on a 2009 Arkansas Individual Income Tax Return, the box on the face of the 2009 Arkansas Individual Income Return should be checked indicating a federal extension was filed.

Please call the Individual Income Tax Section at 501-682-1100 if you have questions or need additional information on filing a 2009 Arkansas Individual Income Tax Return, or visit their webpage at the following link: [Individual Income Tax](#).

The deadline for filing an Arkansas Corporation Income Tax Return, with a previously filed extension, is rapidly approaching as well. Arkansas Corporation Income Tax Returns are due on September 15<sup>th</sup> for calendar tax year filers.

Also, please call the Corporate Income Tax Section at 501-682-4775 if you have any questions or concerns on filing an Arkansas Corporation Association Income Tax Return, or visit their webpage at the following link: [Corporate Income Tax](#).

## OFFICE OF INCOME TAX

### Withholding Business Closure

Act 46 of 2003 Second Extraordinary Session gave the Department of Finance and Administration (DFA) the ability to close a business for non-payment of sales and use taxes. Any taxpayer not reporting and/or paying the sales tax due for any two report periods in a 24-month period will become eligible for business closure when it fails to file and/or pay the third month. As of July 2009, the business closure law applies to businesses failing to file or pay withholding tax as well as sales tax. Since January, Tax Investigators have contacted over 3,000 taxpayers with withholding accounts in order to try to assist them with getting their accounts in compliance. As of May 2010, DFA has served approximately 600 business closure orders to withholding accounts.

The DFA Tax Investigators are responsible for contacting taxpayers in order to get them in compliance on both their withholding tax and sales and use tax accounts.

Taxpayers who have been contacted for business closure or may be behind on their withholding tax account can contact the Withholding Tax Section at 501-682-7290 or click on the following link for more information: [Withholding Tax Section](#).

## OFFICE OF REVENUE LEGAL COUNSEL

### Update on Natural Gas Cases



In the *Alcoa World Alumina LLC f/k/a Alcoa Alumina & Chemicals, LLC v. Richard Weiss* case, the issue centers around whether natural gas purchased outside the state “comes to rest” when it is used as fuel in the manufacturing process for purposes of the use tax. The court ruled for the Arkansas Department of Finance and Administration, and the plaintiff filed an appeal.

On February 25, 2010, the Arkansas Supreme Court upheld the trial court’s decision that the natural gas does “come to rest” in Arkansas and is subject to tax because the transportation in interstate commerce ceased before it was combusted. A petition for rehearing was denied.

Another case, *Duke Energy Trading & Marketing, LLC et al. v. Weiss*, was dismissed due in part to the outcome of the Alcoa case previously mentioned.

For more information on the case(s) mentioned above, email or mail Martha G. Hunt, Chief Counsel for the Arkansas Department of Finance and Administration in the Revenue Section, at the following email address or mailing address below:

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](mailto:Martha.Hunt@dfa.arkansas.gov)  
Office: 501-682-7030  
Fax: 501-682-7599

## WEBPAGE LINKS



[DFA HOMEPAGE](#)

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

[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](#)

[REVENUE RULES](#)

# 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
<a href="#">Sales and Use Tax</a>	501-682-7104
Motor Fuel Tax	501-682-4800
<a href="#">Problem Resolution and Tax Information Office</a>	501-682-7751
Collections	501-682-5000 501-682-4720
<a href="#">Revenue Legal Counsel</a>	501-682-7030
<a href="#">Motor Vehicle Administration</a>	501-682-4692
Field Audit Administration	501-682-4616
<a href="#">Driver Services Administration</a>	501-682-7060
<a href="#">Revenue Administration</a>	501-682-7025
Arkansas Taxpayer Access Point (ATAP)	501-683-2827 877-280-2827
Withholding Tax	501-682-7290
<a href="#">Miscellaneous Tax Section</a>	501-682-7187
<a href="#">IRS Taxpayer Assistance/Refund Information</a>	800-829-1040
<a href="#">IRS Federal Tax Forms</a>	800-829-3676
<a href="#">IRS (Taxpayer Advocate)</a>	501-396-5978

# Calendar of Due Dates



## July

7/12/10-Sales Tax (1<sup>st</sup> 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).

7/20/10-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.  
7/26/10-Sales Tax (2<sup>nd</sup> monthly prepayment). Motor Fuel Tax (Except IFTA). Severance Tax.

7/31/10-IFTA.

## August

8/12/10-Sales Tax (1<sup>st</sup> monthly prepayment).  
8/13/10-Employee monthly withholding tax, for prior month (EFT filers only).

8/16/10-Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

8/20/10-Dyed Diesel- Motor Fuel Tax. Sales & Use Tax.  
8/24/10-Sales Tax (2<sup>nd</sup> monthly prepayment).  
8/25/10-Motor Fuel Tax (Except IFTA). Severance Tax.

## September

9/13/10-Sales Tax (1<sup>st</sup> monthly prepayment).  
9/14/10-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).

9/15/10-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).

9/20/10-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.  
9/24/10-Sales Tax (2<sup>nd</sup> monthly prepayment).  
9/27/10-Motor Fuel Tax (Except IFTA). Severance Tax.

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

10/12/10-Sales Tax (1<sup>st</sup> 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).

## 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](#)



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.

### 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
Booneville	42-10	07/01/10	1.000	Decreased
Ashley County	02-00	07/01/10	1.500	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](mailto:fieldAudit@dfa.arkansas.gov).

## 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).

### OFFICE OF EXCISE TAX

### Tax Clearance or Certificate of Tax Standing Procedures

Taxpayers needing to apply for a tax clearance or certificate of tax standing should request an authorization for release of tax information form from the Office of Excise Tax at the following link: [Tax Clearance Letter Form](#).

There is no fee for issuance of the tax clearance or certificate of tax standing. It takes an estimated wait time of 48 hours after receipt of the authorization for release of tax information form to issue a determination of tax status. Please call the contact the Office of Excise Tax at 501-682-7200 or go to their webpage at: [Excise Tax](#).

## Arkansas Integrated Revenue System (AIRS) Update

On January 10, 2011, the 3<sup>rd</sup> 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](#).

## OFFICE OF EXCISE TAX ADMINISTRATION

### Rule 2010-1 Veterinarian Sales & Use Tax Rule

Rule 2010-1 was promulgated in April 2010, and it became a final rule on July 1, 2010.

The rule will accomplish the following purposes:

1. All prescription drugs provided by the veterinarian as part of their treatment of an animal are exempt from tax as part of the nontaxable veterinary service. This is true regardless of whether the drugs are sold to the pet owner at the same time as the veterinary services are provided or are sold by the veterinarian to the pet owner upon a subsequent refill of the prescription. Veterinarians should pay sale or use tax to their supplier when the drugs are purchased by the veterinarian.
2. Non-prescription medications, pet accessories, and pet foods sold by the veterinarian will be subject to sales tax on the selling price charged by the

veterinarian to the customer. The veterinarian should purchase these items tax free as a sale for resale.

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

### 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](#)