

# ARKANSAS LEGISLATIVE TAX HANDBOOK



# 2014

**BUREAU OF LEGISLATIVE RESEARCH  
OFFICE OF ECONOMIC AND TAX POLICY  
ARKANSAS LEGISLATIVE COUNCIL**

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State of Arkansas  
**Bureau of  
Legislative Research**

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October 1, 2014

To: MEMBERS OF THE ARKANSAS GENERAL ASSEMBLY

We are pleased to present to you the Arkansas Legislative Tax Handbook, 2014. This Handbook provides a summary of the history of requested current taxes and fees levied by the State of Arkansas. Also presented for each tax or fee is a history of the rates, collections for the last twelve (12) years and the disposition of the monies collected.

We think that this Handbook will be of great benefit to you in understanding current tax laws and in answering citizen's questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marty Garrity".

Marty Garrity  
Director  
Bureau of Legislative Research



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# Section 1 - Sales and Use Taxes

## 1.1. AVIATION SALES TAX

The sales tax on aircraft and aviation fuel, aviation services and parts and accessories and other sales taxes remitted by aircraft dealers; airports and flying fields are collected by the Commissioner of Revenues and remitted to the State Treasury.

### Rate and Base:

6.0% on Gross Receipts

### Exemptions:

None

### History:

Act 449 of 1967 provided that all revenues derived from the levying of the Gross Receipts Tax upon aviation fuel (which is exempt from the Motor Fuels Tax) shall be special revenues for deposit to the Aeronautics Fund.

Act 733 of 1977 amended Act 449 and added the provision that, in addition to the sales tax on aviation fuel, the sales tax collected on aircraft, aviation services, aircraft parts and accessories and other gross receipts taxes remitted by aircraft dealers, airports and flying fields shall be special revenues for credit to the Division of Aeronautics Fund.

Act 474 of 1983 provides that an amount not to exceed \$20,000 of revenues deposited in the Department of Aeronautics Fund are to be used for assistance for the establishment of an aviation museum.

Act 63 of the 1st Extraordinary Session of 1984 increased the State's Sales Tax to 4% and also increased the Aviation Sales Tax to 4%.

Act 156 of 1987 implements the initiated constitutional amendment (Amendment 75) which levied an additional 1/8<sup>th</sup> cent sales and use tax upon all taxable sales of property and services subject to the Arkansas Gross Receipts Tax.

Act 3 of 1991 increased the State's Sales Tax to 4.5% and also increased the Aviation Sales Tax to 4.5%.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 924 of 1997 provides for a phase-in of the use tax collected on aircraft related items to be deposited as special revenue and credited to the Division of Aeronautics Fund. Beginning July 1, 2001 all use tax shall be special revenues.

Act 952 of 1999 provides a refund of state sales tax (100% for used plane, 38% for new plane) for purchases, by December 1, 1999, of an airplane to replace one that was destroyed or damaged (market and retail value reduced at least 50%) by a January 1999 storm and was used in the production of food, fiber, or timber (must apply for refund within 6 months of the purchase).

Act 1492 of 1999 increased the sales tax 1/2% effective January 1, 2001 upon voter ratification of Constitutional Amendment 79 related to property tax at the November 2000 general election.

Act 107 of 2003 provides additional revenue to fund the State education system by levying an additional .875% gross receipt tax.

Act 166 of 2007 provides certain city or local taxes on aviation fuel be remitted directly to the proper regional airport.

Act 840 of 2009 provides that taxes on aviation fuel be remitted directly to the publicly owned airport where the aviation fuel was sold.

### Revenues Generated:

Fiscal Year		
Ending June 30	Amount	%Change
2003	\$ 5,409,933	(1.26)
2004	\$ 4,560,904	(15.69)
2005	\$ 6,049,438	32.64
2006	\$ 9,219,509	52.40
2007	\$ 7,193,977	(21.97)
2008	\$ 3,411,223	(52.58)
2009	\$ 5,767,456	69.07
2010	\$10,216,491	77.14
2011	\$11,059,671	8.25
2012	\$ 7,956,764	(28.06)
2013	\$ 8,242,255	3.59
2014	\$14,263,650	73.06

### Distribution of Tax:

Special Revenues for credit to the Division of Aeronautics Fund

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 27-115-110

## 1.2. COMPENSATING OR USE TAX

The compensating or use tax is levied on retail sales to every person in this State for the privilege of storing, using, distributing or consuming, within the State, any article of tangible personal property purchased from outside the State. The tax is in lieu of the State sales tax. It is collected by the vendors from customers and is remitted by them to the State.

### Rate and Base:

A tax or excise is levied and collected from every person at the rate of six percent (6%) on the sales price on tangible personal property purchased, produced or manufactured outside this State for the privilege of storing, using or consuming within the State when the transportation of such article has come to rest within the State or when such article has become co-mingled with the general mass of property of this State, with the exception of certain food and food ingredients which are taxed at one point eight seven five percent (1.875%)

### Exemptions:

1. Sales of tangible personal property on which the tax under the Arkansas Gross Receipts Tax of 1941 is levied and any tangible personal property specifically exempted from taxation by the Arkansas Gross Receipts Act of 1941 and legislation enacted subsequent thereto.
2. Act 740 of 1983 creates "Enterprise Zones" in which qualifying businesses are exempt from the Arkansas Sales and Use Tax on the purchase of material used in the construction of buildings and machinery and equipment to be located in such buildings.
3. Act 771 of 1983 included in the definition of "manufacturing," for the purposes of exemption from the gross receipts and use tax, printing of all kinds and the processing of scrap metal.
4. Act 813 of 1983 creates "Enterprise Zones" in which qualifying businesses are exempt from the Arkansas Sales and Use Tax on the purchase of material used in the construction of buildings and machinery and equipment to be located in such buildings.
5. Act 870 of 1983 expands the exemption from the sales and use tax to include replacement machinery purchased to replace existing machinery in its entirety and used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at manufacturing or processing plants.
6. Act 88 of the 1st Extraordinary Session of 1983 makes computer software subject to the Use Tax.
7. Act 999 of 1985 exempts from Use Tax the out-of-state withdrawal from stock of "carbonaceous materials" used or consumed in the electrolytic reduction process for the production of aluminum.
8. Act 1068 of 1985 exempts "manufactured homes" from the Use Tax if the Use Tax has been levied upon the materials.

9. Act 48 of 1987 exempts from the use tax purchases of natural gas and electricity by "qualified" steel mills.
10. Act 575 of 1987 amended Act 48 of 1987 to provide that any steel mill which uses 50% or more of its electricity and natural gas for processing steel is a "qualified steel mill" under Act 48 of 1987 and is entitled to the gross receipt tax exemption on natural gas and electricity.
11. Act 772 of 1987 reenacts the use tax exemptions provided during the 1976 Extended Session for aircraft, aircraft equipment, and railroad parts, cars and equipment shipped into Arkansas for the purpose of refurbishing, conversion or modification; and for aircraft, aircraft equipment, and railroad parts, cars and equipment shipped into Arkansas for storage pending shipment outside of the State.
12. Act 911 of 1987 expands the Use Tax Exemption on pollution control equipment to include cities and towns.
13. Act 98 and Act 151 of 1993 exempts from the gross receipts tax chemicals, nutrients and other ingredients used in the production of yeast.
14. Act 820 and Act 987 of 1993 exempts from the sales and use tax construction materials and furnishings used in the initial construction and equipping of a daycare facility.
15. Act 913 of 1993 exempts from the sales and use tax sales to the Fort Smith Clearing House.
16. Act 1001 of 1993 exempts certain dies and molds from the sales and use tax.
17. Act 1024 of 1993 exempts from the sales and use tax the sale of waste fuel used in manufacturing operations.
18. Act 1140 of 1993 exempts from the sales and use tax natural gas that is used as a fuel in the manufacturing of glass.
19. Act 1144 of 1993 exempts from the sales and use tax the sale of food items to nonprofit agencies.
20. Act 1237 of 1993 provides that there is no levy or imposition of the use tax on certain aircraft and railroad cars, parts and equipment.
21. Act 25 of the Second Extraordinary Session of 1994 exempts from use tax the sale or lease of railroad rolling stock.
22. Act 387 of 1995 provides that purchases of materials for construction contracts entered into prior to the effective date of a new sales tax will not be subject to the newer tax for a period of 5 years.
23. Act 499 of 1995 provides that purchases of aircraft needing substantial modification may be held for rental or charter service for two years before tax is due.
24. Act 835 of 1995 exempts from the use tax certain services and parts as it relates to the repair or improvement of buildings.
25. Act 848 of 1995 exempts from the use tax materials and services of refurbishing railroad cars, aircraft and related parts. The act also exempts the sale of tangible personal

- property which becomes part of a railroad part, car or railroad equipment.
26. Act 1010 of 1995 exempts from the use tax purchases of fire protection equipment and emergency equipment to be used exclusively by volunteer fire departments.
  27. Act 1134 of 1995 exempts from the use tax solid waste (except for wood byproducts and chips), used motor oil and other petroleum-based waste, if used in fueling a manufacturing or processing operation.
  28. Act 1250 of 1995 provides Enterprise Zone Benefits for industry, which locates at a municipal airport which qualifies as a “special target applicant.” A “special target applicant” generally is a municipal airport or a military installation slated for closure or located within 30 miles of such an installation.
  29. Act 1297 of 1995 exempts from the use tax motor vehicles purchased by vocational-technical schools and technical or community colleges and used exclusively for training purposes.
  30. Act 854 of 1999 exempts all chemicals, catalysts, and reagents, which are consumed and used in manufacturing. The exemption also applies to counties and cities for the purchase of chemicals used in wastewater treatment plants.
  31. Act 1033 of 1999 exempts machinery and equipment used in the agricultural production of grass sod and nursery products.
  32. Act 365 of 2003 exempts the sales of new modular homes constructed from materials of which the state gross receipts or compensating use tax has been paid.
  33. Act 551 of 2003 provides that the gross proceeds in excess of nine thousand one hundred fifty dollars (\$9,150.00) derived from the sales of truck tractors (class 5,6,7 or 8) are exempt. Also provides that the gross proceeds in excess of one thousand (\$1,000.00) derived from the sales of new or used semi-trailers are exempt.
  34. Act 877 of 2005 exempts electricity used for the production of chlorine and other chemicals using a chlor-alkali manufacturing process from sales and use tax.
  35. Act 1296 of 2005 amends the Consolidated Incentives Act of 2003 to broaden the types of businesses and programs eligible for tax credits.
  36. Act 1693 of 2005 provides a decal be attached to each piece of heavy equipment as proof that sales and use tax has been paid or that the equipment is exempt from sales and use tax.
  37. Act 87 of 2007 exempts dyed distillate special fuels from use and sales taxes; to impose a new gallonage tax.
  38. Act 140 of 2007 amends the use tax exemption law for adaptive medical equipment and durable medical equipment applying to wheelchair lifts and automobile hand control.
  39. Act 548 of 2007 exempts from sales and use tax the natural gas and electricity used in the manufacturing of tires.
  40. Act 1011 of 2007 clarifies the application of taxes on guided fishing trips.
  41. Act 1596 of 2007 amends the Consolidated Incentives Act to adapt to a changing economy.
  42. Act 767 of 2009 exempts thermal imaging equipment purchased by county government to be used by law enforcement aircraft.
  43. Act 941 of 2009 provides a credit or rebate on local sales and use tax paid above twenty-five hundred dollars on the purchase of a trailer.
  44. Act 1176 of 2009 exempts the Arkansas Search Dog Association, Inc. from payment of sales and use tax.
  45. Act 1205 of 2009 exempts the sale of raw products at a farmer's market where the products are produced and sold by the producer.
  46. Act 1208 of 2009 clarifies that partial replacement of manufacturing machinery and equipment that improves manufacturing efficiency are exempt from the sales and use tax.
  47. Act 1274 of 2009 repeals the gross receipts tax on mini warehouses and self storage rental services.
  48. Act 753 of 2011 to increase the amount below which sales and use tax is not due, if the total consideration of the sale is less than \$4000 on the purchase of a motor vehicle, trailer and semitrailer.
  49. Act 754 of 2011 decreases the sales and use tax on natural gas and electricity used by manufacturers.
  50. Act 755 of 2011 amends the sales and use tax rate on food and food ingredients to one and three-eighths percent, 1.375%.
  51. Act 757 of 2011 creates a sales tax holiday for clothing, clothing accessories, or equipment, school supplies, school art supplies and school instructional material.
  52. Act 824 of 2011 concerns agricultural exemptions for sales and use taxes to exempt water purchased from a public surface-water delivery project to reduce dependence on ground water used for agriculture.
  53. Act 998 of 2011 provides a sales and use tax exemption for the Arkansas Black Hall of Fame Foundation, Incorporated.
  54. Act 1058 of 2011 exempts from sales and use tax the gross receipts derived from the sale of class six or seven trucks and semitrailers.
  55. Act 1226 of 2011 exempts a wholesale manufacturer of beer from paying sales and use tax on kegs used to sell beer wholesale.
  56. Act 233 of 2013 amends the exemption for certain machinery and equipment used in removing pollutants.

57. Act 1392 of 2013 exempts expendable supplies used for farm machinery from sales and use tax.
58. Act 1401 of 2013 exempts utilities used by graindrying and storage facilities from sales and use tax.
59. Act 1402 of 2013 amends the sales and use tax exemption on new and used timber harvesting machinery, equipment, and related attachments, to exempt the entire purchase price.
60. Act 1414 of 2013 creates an exemption from sales and use tax for dental appliances sold to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist.
61. Act 1419 of 2013 exempts nonprofit blood donation organizations from sales and use tax.
62. Act 1441 of 2013 exempts utilities used for qualifying agricultural structures and qualifying aquaculture and horticulture equipment from sales and use tax.
63. Act 300 of 2014 includes sand and other proppants used in oil and gas wells, as part of the exemption on machinery and equipment used directly in the manufacturing process.

### History:

The compensating or Use Tax was enacted by Act 487 of 1949 at the rate of 2%. The rates of the Use Tax were increased from 2% to 3% by Act 19 of 1957. Act 222 of 1971 established the following rates:

1. Public Transportation - Motor Carriers;
2. Railroads except fuel;
3. Public Pipeline Carriers;
4. Public Airline Carriers;
5. Public Telephone and Telegraph Companies;
6. Public Utilities - Gas Companies;
7. Public Water Companies; and
8. Public Electric Power Companies, which had previously been exempt by Act 487 of 1949, the following:
  - a. From July 1, 1971 through June 30, 1972 ..... 1%
  - b. From July 1, 1972 through June 30, 1973 ..... 1.5%
  - c. From July 1, 1973 through June 30, 1974 ..... 2%
  - d. From July 1, 1974 through Nov. 6, 1983..... 3%
  - e. From Nov. 7, 1983 through April 30, 1991 ..... 4%
  - f. From May 1, 1991 and thereafter ..... 4.5%

Act 146 of 1983 provides that the Joint Interim Committee on Revenue and Taxation shall study each exemption to the Sales and Use Tax for the purpose of determining which, if any, of the Sales and Use Tax exemptions are not necessary or not justified and prepare proposed legislation for abolishing the various exemptions which the Committee finds not to be justified and not necessary.

Act 63 of the 1st Extraordinary Session of 1983 increased the state's compensating use tax from 3% to 4%.

Act 27 of 1987 imposes the gross receipts tax upon interstate phone calls, and requires out-of-state vendors who solicit sales within the State to collect the Use Tax.

Act 817 of 1989 broadens the application of the Use Tax to include property which is purchased outside the state to be used for "distribution" within the state.

Act 9 of the 3rd Extraordinary Session of 1989 provides that no credit is allowed for the Sales or Use Taxes paid to another state with respect to the purchase of motor vehicles, trailers or semi-trailers which are first registered by the purchaser in this state.

Act 3 of 1991 increased the use tax by ½ percent and imposes the use tax on the sale of all used motor vehicles, trailers, mobile homes, and airplanes.

Act 688 of 1991 provides for a penalty of \$50 for failure to file a timely tax report after the taxpayer has been notified that he has failed to file the reports.

Acts 58 and 61 of the 1st Extraordinary Session of 1992 provide that qualified aircraft businesses may qualify for the Enterprise Zone sales and use tax refund if the company makes an investment of \$5 million or more.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 1250 of 1993 levies the use tax on machinery, equipment and materials used or consumed in the manufacturing process.

Act 1008 of 1995 provides that if the highway bond issue is approved by the voters, the use tax would increase by ½%.

Act 156 of 1997 implements the initiated constitutional amendment (Amendment 75) which levied an additional 1/8th cent sales and use tax upon all taxable sales of property and services subject to the Arkansas Gross Receipts Tax.

Act 924 of 1997 provides for a phase-in of the use tax collected on aircraft related items to be deposited as special revenue and credited to the Division of Aeronautics Fund. Beginning July 1, 2001 all use tax shall be special revenues.

Act 951 of 1997 requires out-of-state vendors to collect use tax when the vendor delivers property into Arkansas, and the delivery is made in the vendor's conveyance.

Act 1492 of 1999 increased the use tax ½% effective 1/1/2001 upon voter ratification of Constitutional Amendment 79 related to property tax at the November 2000 general election.

Act 922 of 2001 requires out of state vendors with significant connections to Arkansas to collect use tax of sales to Arkansas customers.

Act 1279 of 2001 adopts the Uniform Sales and Use Tax Administration Act, which authorized the Dept. of Finance and Administration to enter agreements with other states in order to provide a mechanism with which to maintain a cooperative, simplified system for the application and administration of sales and use taxes.

Act 1401 of 2001 clarifies that expenditures for items previously purchased as part of the Enterprise Zone Project or

Economic Development Act are not eligible for refund of sales and use tax.

Act 1834 of 2001 requires the payment of gross receipts tax or use tax when a motor vehicle is transferred pursuant to the statement of origin.

Act 1273 of 2003 enables Arkansas to enter into the Streamlined Sales and Use Tax Agreement with other states.

Act 1879 of 2003 clarifies the meaning of telecommunications and preserves current collections from the gross receipts tax, effective until contingencies in Act 1273 of 2003 are met.

Act 46, Second Extraordinary Session of 2003 provides for the closure of businesses failing to report and remit sales and use taxes.

Act 107, Second Extraordinary Session of 2003 increased the sales and use tax rate 7/8% effective March 1, 2004. The additional tax shall be special revenue and credited to the Educational Adequacy Fund.

Act 2008 of 2005 changes the effective date of Act 1273 of 2003 to July 1, 2007 which changes Arkansas sales tax laws to be in compliance with the Streamlined Sales Tax Agreement.

Act 2163 of 2005 provides the administrative provisions of the Streamlined Sales Tax Agreement and allows DFA to participate with other states in developing the Streamlined Sales Tax System.

Act 2254 of 2005 amends the sales and use tax laws pertaining to manufactured homes, modular homes and mobile homes by reducing the tax levied to 62% of the sales price on new modular or manufactured homes and no tax shall be levied on the subsequent sale of manufactured or modular homes.

Act 110 of 2007 reduces the sales and use tax rate on food and food ingredients to 3%.

Act 116 of 2007 provides that elections may be called with respect to certain local sales and use taxes upon petition of the legal voters of the municipality.

Act 277 of 2007 prohibits any state supported institution of Higher Education from referencing a textbook company website, if the textbook company does not agree to collect state sales and use tax.

Act 361 of 2007 clarifies that all taxable services may be purchased tax free as a sale for resale.

Act 368 of 2007 amends the sales and use tax laws pertaining to the taxability of the lease or rental of portable toilet and associated services.

Act 437 of 2007 allows the Department of Economic Development to obtain information related to economic development incentives from Department of Finance and Administration.

Act 1039 of 2007 adjusts the amount of tax credits available to qualified lodging facilities and qualified amusement parks retroactively to July 1, 2006.

Act 272 of 2009 amends the Arkansas Tax Procedures Act to allow disclosure to Chapter 13 bankruptcy trustees of whether or not a taxpayer has filed a state tax return.

Act 384 of 2009 provides consistency with the streamlined sales and use tax agreement clarifying withdrawal from stock is subject to sales and use tax.

Act 436 of 2009 reduces the state sales and use tax rate on food and food ingredients to 1.875% beginning July 1, 2009, 76.6% of which is general revenue.

Act 682 of 2009 repeals Act 1693 of 2005 to amend the method in which sellers of heavy equipment prove that Arkansas taxes have been paid on sales of heavy equipment.

Act 691 of 2009 decreases the excise tax rate on natural gas and electricity used or consumed in manufacturing to 3.125%. If the tax savings reaches \$27 million no additional claims will be processed.

Act 695 of 2009 reduces the sales and use tax rate on utilities used by manufactures.

Act 755 of 2009 changes the standard of proof concerning claims for exemptions, deductions, credits and set the standard for review on appeal.

Act 291 of 2011 amends sales and use tax laws to be consistent with the streamlined sales and use tax agreement.

Act 753 of 2011 to increase the amount below which sales and use tax is not due to \$4,000 on the purchase of a motor vehicle, trailer and semi-trailer.

Act 754 of 2011 decreases the sales and use tax on natural gas and electricity used by manufactures.

Act 755 of 2011 amends the sales and use tax rate on food and food ingredients to one and three-eighths percent, 1.375%.

Act 757 of 2011 creates a sales tax holiday for clothing, clothing accessories, or equipment, school supplies, school art supplies and school instructional material.

Act 789 of 2011 allows Department of Finance and Administration to offset any tax refund due for any tax collected by DFA against a debt for any tax administered by DFA.

Act 983 of 2011 makes technical corrections to Title 26 of Arkansas codes of 1987 such as defining mobility enhancing equipment and establishing the excise tax rate on the gross receipts derived from natural gas used in manufacturing.

Act 1001 of 2011 transfers responsibility to collect sales and use tax to an affiliated person with a referral agreement with a business having sales over \$10,000 in the state.

Act 1047 of 2011 establishes criteria for a prospective employer planning an economic development project using an amendment 82 agreement.

Act 1142 of 2011 requires prepayment of compensating use tax on the same basis as prepayment of Arkansas's gross receipts tax.

HJR 1001 of 2011, which became Amendment 91 upon voter approval, created a temporary 0.5% sales and use tax.

Act 1398 of 2013 provides for a reduction to the sales and use tax on food and food ingredients, if certain funds reduce the impact on general revenue by \$35,000,000, as compared to the corresponding six month period.

Act 1404 of 2013 provides for a refund of taxes in excess of 4.875% on partial replacement and repair of machinery and equipment used directly in manufacturing.

Act 1411 of 2013 reduces the tax on natural gas and electricity used by a manufacturer.

Act 1450 of 2013 provides for a reduction to the sales and use tax on food and food ingredients, if certain funds reduce the impact on general revenue by \$35,000,000, as compared to the corresponding six month period.

## **Revenues Generated:**

### **General Revenues**

General Revenues generated from the Compensating Use Tax are combined with the Sales Tax collections reflected on page 20.

### **Special Revenues**

Fiscal Year		
Ending June 30	Amount	% Change
2004	\$1,538,586	2.20
2005	\$1,758,764	14.31
2006	\$4,129,120	34.77
2007	\$4,502,950	9.05
2008	\$7,107,976	57.85
*2009	-0-	(100.00)
2010	-0-	
2011	-0-	
2012	-0-	
2013	-0-	
2014	-0-	

\*Beginning in 2009, Use Tax Special Revenues are consolidated with Sales Tax Special Revenues.

### **Distribution of Tax:**

General Revenues, except for 3% of the 1% use tax for Texarkana are deposited as special revenues credited to the State Central Service Fund. Also, the additional 1/8<sup>th</sup> cent conservation tax and the 1/2 cent for property tax relief, as well as the 7/8<sup>th</sup> cent for the Educational Adequacy Fund, are deposited as special revenues.

Amendment 91 – 0.5 % tax deposited to State Highway and Transportation Department Fund, County Aid Fund and Municipal Aid Fund, after required deductions.

### **Administered by:**

Department of Finance and Administration - Revenue Services Division

### **Cite:**

Arkansas Code (1987) 26-53-106; 26-53-107

### **1.3. LONG-TERM RENTAL VEHICLE TAX**

**Cite:**

Arkansas Code - (1987) 26-63-304

In addition to the gross receipts tax, a long-term rental vehicle tax is levied on the gross receipts or gross proceeds derived from rentals of licensed motor vehicles leased for a period of thirty (30) days or more. The tax is based on the gross receipts of the lease or rental payment in lieu of paying sales tax at the time of registration.

**Rate and Base:**

1.5%

**Exemptions:**

1. Lease or rental of diesel trucks for commercial shipping.
2. Farm machinery or equipment rented or leased for commercial purpose.
3. Gasoline or diesel powered trucks rented or lease for residential moving or shipping.

**History:**

Act 1076 of 1997 authorized the levy of the long-term rental vehicle tax. This act also exempts from the sales and use tax the sale of motor vehicles to persons engaged in the business of renting or leasing motor vehicles. Also, if the Chief Fiscal Officer certifies that 10% or more of all new motor vehicle registrations during a calendar year are leased vehicles based on information and statistics from a reliable source, then the long-term rental vehicle tax shall expire on June 30 of the fiscal year following the calendar year for which such certification is made.

Act 1164 of 2013 requires long-term rental vehicle tax be paid on each rental and lowers the threshold for expiration of the long-term rental vehicle tax to 3%.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$438,333	(9.78)
2004	\$491,757	12.19
2005	\$981,758	99.64
2006	\$465,450	(52.60)
2007	\$656,643	41.08
2008	\$695,770	5.96
2009	\$1,477,165	112.31
2010	\$352,739	(76.12)
2011	\$360,376	2.17
2012	\$587,501	63.02
2013	\$713,750	21.49
2014	\$2,082,980	191.84

**Distribution of Tax:**

General Revenues

**Administered by:**

Department of Finance and Administration

Revenue Services Division

## 1.4. RENTAL VEHICLE TAX

In addition to the gross receipts tax, a rental vehicle tax is levied on the gross receipts or gross proceeds derived from rentals of licensed motor vehicles for a period of less than 30 days.

### Rate and Base:

6.0% plus an additional 5.0%

### Exemptions:

1. Diesel trucks leased for commercial shipping.
2. Farm machinery or equipment.

### History:

Act 510 of 1989 authorized the levy of the rental vehicle tax.

Act 1059 of 1993 exempts from the sales and use tax the sale of motor vehicles to persons engaged in the business of renting motor vehicles.

Act 949 of 2001 established the Arkansas Public Transit Trust Fund and added the additional 5% rate as applied to special revenue.

Act 664 of 2005 provides the distribution of the 5% additional vehicle rental tax is 75% Public Transit Trust Fund and 25% Public School Fund for teacher salaries.

### Revenues Generated:

#### General Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 3,913,305	17.80
2004	\$ 4,131,227	5.57
2005	\$ 4,385,966	6.17
2006	\$ 4,596,665	4.80
2007	\$ 4,827,508	5.02
2008	\$ 5,040,309	4.41
2009	\$ 4,640,389	(7.93)
2010	\$ 4,635,860	(0.10)
2011	\$ 4,694,903	1.27
2012	\$ 5,135,068	9.38
2013	\$ 5,145,644	0.21
2014	\$ 5,231,402	1.67

### Special Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 3,713,055	11.77
2004	\$ 3,862,356	4.02
2005	\$ 4,053,242	4.94
2006	\$ 4,660,521	14.98
2007	\$ 4,702,805	0.91
2008	\$ 4,738,778	0.76
2009	\$ 4,688,021	(1.07)
2010	\$ 4,694,053	0.13
2011	\$ 4,708,470	0.31
2012	\$ 5,117,004	8.68
2013	\$ 5,166,385	0.97
2014	\$ 5,232,702	1.28

### Distribution of Tax:

#### General Revenues

The original four and one half percent is deposited into the state's general revenue account.

#### Special Revenues

The additional five percent is deposited as special revenue with seventy-five percent to public transit trust fund and twenty-five percent to public school fund.

### Administered by:

Department of Finance and Administration  
Revenue Services Division

### Cite:

Arkansas Code - (1987) 26-52-311



## **1.5. RESIDENTIAL MOVING TAX**

In addition to the gross receipts tax, a tax of 4.5% is levied upon the rental of gasoline or diesel powered trucks rented or leased for residential moving or shipping.

### **Rate and Base:**

A tax of 4.5% is levied on the rental or lease of a gasoline or diesel powered truck; also, any tangible personal property sold in conjunction with the rental or lease of such vehicles.

### **Exemptions:**

None

### **History:**

Act 1162 of 1993 authorized the residential moving tax.

### **Revenue Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 417,095	1.15
2004	\$ 461,382	10.62
2005	\$ 507,698	10.04
2006	\$ 540,759	6.51
2007	\$ 531,572	(1.70)
2008	\$ 484,529	(8.85)
2009	\$ 462,811	(4.48)
2010	\$ 476,228	2.90
2011	\$ 500,582	5.11
2012	\$ 526,096	5.10
2013	\$ 546,100	3.80
2014	\$ 605,546	10.89

### **Distribution of Tax:**

General Revenues

### **Administered by:**

Department of Finance and Administration  
Revenue Services Division

### **Cite:**

Arkansas Code - (1987) 26-52-312

## 1.6. SHORT TERM RENTAL TAX

In addition to the Gross Receipts and Compensating Use Tax there is levied an additional tax of 1% on all tangible personal property that is rented or leased for a period of 30 days or less. The tax is applicable to all rentals or leases regardless of whether tax was paid on the rental property at the time of purchase.

### Rate and Base:

1% of gross receipts derived for rentals or leases of tangible personal property for 30 days or less.

### Exemptions:

1. Leases or rentals for 30 days and over;
2. Leases or rentals of diesel trucks for commercial shipping;
3. Rental of farm equipment or machinery;
4. Motor vehicles;
5. Leases of tangible personal property subject to the 2% Tourism Tax.

### History:

Act 510 of 1989 authorized the 1% levy upon the short term rental of tangible personal property.

Act 1026 of 1991 exempts from the short term rental tax leases of tangible personal property that is subject to the 2% tourism tax.

### Revenue Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,936,792	4.54
2004	\$ 1,881,543	(2.85)
2005	\$ 1,979,206	5.19
2006	\$ 2,093,709	5.79
2007	\$ 2,368,019	13.10
2008	\$ 2,322,050	(1.94)
2009	\$ 2,212,998	(4.70)
2010	\$ 368,889	(83.33)
2011	\$ 2,576,561	598.47
2012	\$ 2,737,376	6.24
2013	\$ 2,503,056	(8.56)
2014	\$ 2,746,051	9.71

### Distribution of Tax:

General Revenues

### Administered by:

Department of Finance and Administration  
Revenue Services Division

### Cite:

Arkansas Code - (1987) 26-52-310

## 1.7. SALES TAX

Sales or gross receipts tax is levied on retail sales and is collected by the retailer from customers and remitted by the retailer to the State.

The retailer gets to retain 2% of tax due up to \$1,000 per month as a collection fee if his remittance is on or before the dates due. Border city residents pay the tax based upon the exemptions of the border state.

### Rate and Base:

An excise tax of one point eight seven five percent (1.875%) is levied upon the gross proceeds or gross receipts derived from sales of certain food and food ingredients. An excise tax of six percent (6%) is levied upon the gross proceeds or gross receipts derived from all sales to any person of the following:

1. Tangible personal property;
2. Natural or artificial gas, electricity, water, ice, steam, or any other utility or public service except transportation services, sewer services and sanitation or garbage collection services;
3. Service by telephone and telegraph companies;
4. Furnishing rooms by hotels, apartment hotels, lodging houses and tourist camps or courts;
5. Service of alteration, addition, cleaning, refinishing, replacement and repair of motor vehicles, aircraft, farm machinery and implements, motors of all kinds, tires and batteries, boats, electrical appliances and devices, furniture, rugs, upholstery, household appliances, television and radio, jewelry, watches and clocks, engineering instruments, medical and surgical instruments, machinery of all kinds, bicycles, office machines and equipment, shoes, tin and sheet metal, mechanical tools and shop equipment. Tax does not apply to coin-operated car washes nor to the repair or maintenance of railroad parts, railroad cars and equipment brought into the State of Arkansas solely and exclusively for the purpose of being repaired, refurbished, modified, or converted within this State;
6. Printing, overprinting and photography;
7. Tickets or admissions to athletic events, entertainment or recreational facilities or other places of amusement;
8. Motor vehicles;
9. Beer, wine, liquor and/or any intoxicating beverage.
10. Service of providing transportation or delivery of money, property or valuables by armored car;
11. Service of providing cleaning or janitorial work;
12. Pool cleaning and servicing;
13. Pager services;
14. Telephone answering services;
15. Lawn care and landscaping services;
16. Service of parking a motor vehicle or allowing the motor vehicle to be parked;

17. Service of storing a motor vehicle;
18. Service of storing furs;
19. Service of providing indoor tanning at a tanning salon; and,
20. Dues and fee to health spas, health clubs and fitness clubs, and private clubs which hold any permit from the Alcoholic Beverage Control Board allowing the sale, dispensing or serving of alcoholic beverages of any kind on the premises.

### Exemptions:

1. Sales by churches;
2. Sale of food in public schools or college cafeterias;
3. Newspapers;
4. Sales to U.S. Government;
5. Sale of motor fuel on which the motor fuel tax has been paid;
6. Sales for resale;
7. Sales of advertising space in newspapers/periodicals and billboard advertising services;
8. Isolated sales;
9. Cotton, seed cotton, lint cotton, baled cotton or cotton seed;
10. Raw farm products;
11. Livestock and poultry;
12. Sale of foodstuffs to governmental agencies;
13. Sale of tangible personal property or services to charitable hospitals or sanitariums;
14. Sale of second hand and used tangible personal property;
15. Unprocessed crude oil;
16. Gross receipts derived from transportation services;
17. Sale of school buses to school districts in Arkansas;
18. Sale of baby chicks;
19. Publications printed and published in Arkansas;
20. Sales to non-profit orphans' homes or children's homes;
21. Feedstuffs used for livestock;
22. Gross receipts derived from gate admissions at state, district, county or township fairs or any rodeo;
23. Sale of seed for commercial production of an agricultural product or for seed;
24. Sale of tangible personal property used for repair, replacement, or expansion of existing manufacturing or processing facilities;
25. Sale of motor vehicles to municipalities, counties, state supported colleges and universities or to public school districts;
26. Sale of motor vehicles to disabled veterans;
27. Sale of agricultural fertilizer, limestone, chemicals and vaccines, medications used in treating livestock and poultry;

28. Sale of tickets to athletic events at universities and colleges;
29. Sales of tickets to athletic events and interscholastic activities at public and private elementary and secondary schools;
30. Sales to the Boy Scouts and Girl Scouts of America;
31. Sale of special fuels sold for consumption by commercial vessels and railroads;
32. Sale of electricity used in manufacturing of aluminum metal;
33. Sale of bagging, tie material and twine;
34. Sales to Boys' Club of America;
35. Gross receipts derived from the rental or sale of medical equipment where payment is received through Medicaid, Medicare or other U.S. government subsidy;
36. Sale on the premises of the Arkansas Veterans' Home;
37. Sales or services to Girls' Clubs of America, Poet's Roundtable of Arkansas, 4-H Clubs, FFA Clubs, Arkansas 4-H Foundation, Arkansas Future Farmers of America Association;
38. Sale of prescription drugs and oxygen;
39. Sale of motor vehicles to blind veterans;
40. Sales to nonprofit humane societies;
41. Sale of vessels, barges, towboats of at least 50-ton displacement, and parts and labor used in repair and construction;
42. Sale of aircraft to an out-of-state purchaser;
43. Sales of new and used farm machinery;
44. Service performed on timepieces received from out of state;
45. Sale of tickets by municipalities to amusements, athletic, entertainment and recreational events;
46. Certain core charges when automobile parts are purchased;
47. Repair and/or maintenance of railroad cars, parts and equipment.
48. Service of providing a credit report;
49. Service of collecting a debt or account receivable;

Act 791 of 1983 includes in the definition of "manufacturing and/or processing" for the purposes of exemption from the gross receipts and use tax printing of all kinds and the processing of scrap metal.

Acts 813 and 740 of 1983 create "Enterprise Zones" in which qualifying businesses are exempt from the Arkansas Sales and Use Tax on the purchases of material used in the construction of buildings and machinery and equipment to be located in such buildings.

Act 870 of 1983 expands the exemption from the sales and use tax to include replacement machinery purchased to replace existing machinery in its entirety and used directly in producing, manufacturing, fabricating, assembling, processing, finishing or packaging of articles of commerce at manufacturing or processing plants.

Act 120 of the 1st Extraordinary Session of 1983 exempted the first 500 KWH of electricity for residents with household income of \$12,000 or less.

Act 18 of 1985 exempts the gross proceeds derived from the sale of prescription drugs for human consumption by dispensing physicians.

Act 447 of 1985 exempts the gross proceeds derived from the sale of natural gas, LP gas and electricity purchased by a processor or mining company. Exemption expires June 30, 1991.

Act 492 of 1985 redefines machines "used directly in manufacturing" for purpose of Sales/Use Tax exemption.

Act 495 of 1985 exempted gross proceeds derived from repair/refurbishing of telephone instruments shipped into the State from the Gross Receipts Tax. Expired July 1, 1987.

Act 518 of 1985 exempts gross receipts or gross proceeds derived from the sale of used tangible personal property when the used property was

1. Traded in and accepted by the seller as part of the sale of other tangible personal property and
2. Arkansas Gross Receipts Tax was collected and paid on the total amount of consideration for the sale of the other tangible personal property without any deduction or credit for the value of the used tangible personal property.

Act 529 of 1985 provides a 7% investment credit against Sales or Use Tax for investments in plant construction or expansion over \$5 million. The company must have been doing business in the State for two years and meet certain other requirements as a "distressed industry" qualified by AIDC.

Act 543 of 1985 exempts rentals of specialized motion picture equipment from the Gross Receipts Tax, if they qualify under Act 276 of 1983.

Act 685 of 1985 provides that the Enterprise Zone Law allows a refund of Sales and Use Tax rather than an exemption.

Act 941 of 1985 exempts the purchase of prescription drugs by "for profit hospitals" from the Sales Tax.

Act 1068 of 1985 exempts sale of new custom manufactured homes from the Gross Receipts Tax. Mobile homes are excluded from the exemption.

Act 48 of 1987 exempts from the Gross Receipts Tax purchases of natural gas and electricity by "qualified" steel mills.

Act 350 of 1987 specifically exempts machinery and equipment used in the business of harvesting crops for others, and vegetable and fruit harvesting equipment.

Act 416 of 1987 expands the Sales and Use Tax exemption for prescription drugs to include the sale, purchase and use of drugs by oncologists.

Act 575 of 1987 amended Act 48 of 1987 to provide that any steel mill which uses 50% or more of its electricity and natural gas for processing steel is a “qualified steel mill” under Act 480 of 1987 and is entitled to the Gross Receipts Tax exemption on natural gas and electricity.

Act 986 of 1987 reenacts exemption for electricity used to manufacture aluminum, sales at the Arkansas Veterans Home, “core charges,” rental and/or lease of motion picture equipment due to the Arkansas Supreme Court decision in *Recarte vs. State*; contains a provision exempting food items purchased with food stamps plus a provision that would repeal the food stamp exemption if the exemption were no longer required for full participation in the federal Food Stamp Program.

Act 1033 of 1987 exempts from the sales tax food items purchased with food stamps.

Act 753 of 1989 exempts from the sales tax sales to nonprofit organizations who provide temporary housing to family members of a patient in a hospital.

Act 89 of the 3rd Extraordinary Session of 1989 exempts from the gross receipts tax the repair or manufacture of certain industrial metal rollers.

Act 136 and 137 of 1991 provides that the purchase of natural gas and electricity by the steel mills shall be exempt from the sales tax.

Act 215 of 1991 provides that the sale of insulin and test strips are exempt from the sales tax.

Act 414 of 1991 exempts adaptive medical equipment and disposable medical supplies prescribed by a physician from the sales tax.

Act 458 of 1991 provides that Christmas tree farms are not nurserymen, thereby exempting the sale of Christmas trees from the sales tax.

Act 548 of 1991 exempts property purchased for use in construction contracts entered into prior to the effective date of Act 3 of 1991.

Act 1126 of 1991 provides that if the total consideration for the sale of a manufactured home is less than \$10,000 then no sales tax is due on the sale.

Act 98 and Act 151 of 1993 exempts from the gross receipts tax chemicals, nutrients and other ingredients used in the production of yeast.

Act 617 of 1993 exempts from the sales tax subscription publications and repeals the tax collections requirement of out-of-state vendors.

Act 820 and Act 987 of 1993 exempts from the sales and use tax construction materials and furnishings used in the initial construction and equipping of a daycare facility.

Act 913 of 1993 exempts from the sales and use tax sales to the Fort Smith Clearing House.

Act 1001 of 1993 exempts certain dies and molds from the sales and use tax.

Act 1024 of 1993 exempts from the sales and use tax the sale of waste fuel used in manufacturing operations.

Act 1140 of 1993 exempts from the sales and use tax natural gas that is used as a fuel in the manufacturing of glass.

Act 1144 of 1993 exempts from the sales and use tax the sale of food items to nonprofit agencies.

Act 1183 of 1993 exempts fill material from the sales tax.

Act 1245 of 1993 provides that the sales tax on debt collection services shall not apply to collecting delinquent child support payments.

Act 25 of the Second Extraordinary Session of 1994 exempts from the sales tax, the sale or lease of railroad rolling stock.

Act 124 of 1995 exempts from the sales tax the sale of tickets to athletic events at universities and colleges.

Act 257 of 1995 exempts from the sales tax the repair of metal platens shipped into Arkansas for repair then shipped out of state.

Act 387 of 1995 provides that purchases of materials for construction contracts entered into prior to the effective date of a new sales tax will not be subject to the newer tax for a period of 5 years.

Act 390 of 1995 provides that parts and accessories used for the reconditioning or rebuilding of used motor vehicles intended for resale are exempt from the Gross Receipts Tax.

Act 437 of 1995 provides that motor vehicle dealers may register and title a vehicle without paying sales tax. This act also allows manufactured home dealers to register and title a home without paying sales tax.

Act 504 of 1995 exempts from the sales tax the long-term lease of commercial trucks used in interstate commerce if the trucks are registered under the International Registration Plan.

Act 516 of 1995 exempts from the sales tax sales of property or services to habitat for humanities.

Act 521 of 1995 exempts from the sales tax goods sold at Camp Robinson to active or retired members of the armed forces.

Act 587 of 1995 exempts from the sales tax irrigation pipe, regardless of whether the pipe is above ground or below ground.

Act 835 of 1995 exempts from the sales tax certain services and parts as it relates to the repair or improvement of buildings.

Act 848 of 1995 exempts from the sales tax materials and services of refurbishing railroad cars, aircraft and related parts. The act also exempts the sale of tangible personal property which becomes part of a railroad part, car or railroad equipment.

Act 1010 of 1995 exempts from the sales tax purchases of fire protection equipment and emergency equipment to be used exclusively by volunteer fire departments.

Act 1013 of 1995 allows motor vehicle dealers to pay the sales tax on the trade difference on new autos pulled out of inventory to replace an old service vehicle.

Act 1040 of 1995 exempts from the sales tax certain services performed by a temporary or leased employee on items owned or leased by the employer.

Act 1134 of 1995 exempts from the sales tax solid waste (except for wood byproducts and chips), used motor oil and other petroleum-based waste, if used in fueling a manufacturing or processing operation.

Act 1297 of 1995 exempts from the sales tax motor vehicles purchased by vocational-technical schools and technical or community colleges and exclusively used for training purposes.

Act 1250 of 1995 provides Enterprise Zone Benefits, for industry which locates at a municipal airport which qualifies as a “special target applicant.” A “special target applicant” generally is a municipal airport or a military installation slated for closure or located within 30 miles of such an installation.

Act 137 of 1997 provides that county fairs approved by the Livestock and Poultry Commission are not considered “special events” for purposes of the special events sales tax. Promoters of county fairs will no longer be responsible for requiring vendors without sales tax permits to collect sales tax on taxable sales at county fairs.

Act 291 of 1997 provides financial incentives to construct or expand a tourist attraction. A “tourist attraction” includes cultural or historic sites, entertainment or recreational facilities, theme parks, areas of scenic beauty, indoor or outdoor shows, botanical gardens or educational facilities. Excluded projects are lodging facilities (unless less than 50% of cost of attraction) retail stores, private facilities, facilities owned by the state or political subdivisions, and gambling facilities, except facilities where paramutual betting is currently authorized. The credits are as follows: from \$500,000 to \$1,000,000 in approved cost 10%; on facilities over \$1,000,000 a credit of 25% of the approved cost over \$1,000,000 is allowed.

Act 441 of 1997 exempts from the sales tax construction supplies and materials used in construction and maintenance of volunteer fire departments.

Act 603 of 1997 exempts from the sales tax purchases of tangible personal property and services by the Salvation Army.

Act 690 of 1997 provides that intermodal facilities are exempt from the sales tax.

Acts 704 and 884 of 1997 exempts from sales tax prescription drugs sold to all physicians and withdrawals from stock of sample prescription drugs.

Act 807 of 1997 amends the 1993 Enterprise Zone Act to add regional headquarters and steel service centers as qualified businesses. Also, amends the Manufacturer’s Investment Credit Act to limit sales tax credits to materials purchased within 5 years of project certification.

Act 825 of 1997 provides that used railroad ties are exempt from the sales tax if purchased for use as fuel in a manufacturing process.

Act 919 of 1997 provides a tax incentive for companies which film or produce a feature film, telefilm, music video, documentary, episodic television show or commercial advertising project in Arkansas. The benefit is available if \$500,000 is spent within six months or \$1,000,000 is spent within 12 months on a qualified project. The company is entitled to a refund of sales tax paid or goods and services related to the project. These provisions sunset June 30, 2007.

Act 999 of 1997 exempts from the sales tax the sale of gas produced from “biomass” and sold for the purpose of generating energy which is then sold back to the gas producer. These sales are exempt if the entities involved met the criteria for the federal income tax credit.

Act 1192 of 1997 provides that new manufactured homes are taxed only on 62% of the gross sales price which includes furnishings, fixtures, fees and services. This act repeals the exemption for the sale of manufactured and mobile homes under \$10,000 and \$2,000 respectively, and provides that the sale of used manufactured homes are exempt, and that the sale of new or used mobile homes are exempt from the sales tax. This Act also repealed the trade-in credit. In addition, this Act provides a sales tax refund for purchasers of mobile homes who have purchased a new mobile home to replace a home destroyed by the March 1, 1997 tornadoes. The refund is equal to 38% of the state sales tax paid on a new home and 100% of the sales tax paid on a used home.

Act 1222 of 1997 exempts from the sales tax the sale of tangible personal property and services to Heifer Project International Inc.

Act 1232 of 1997 provides that no tax is due if the consideration for a motor vehicle or trailer is less than \$2,500. This Act also allows a trade-in deduction equal to the selling price of a taxpayer’s used motor vehicle or trailer provided that the taxpayer purchases a new motor vehicle or trailer within 45 days of selling the old one.

Act 1233 of 1997 amends the definition of “manufacturing” in the manufacturing exemption to provide that manufacturing includes the production of protection coatings which increase the quality and durability of the finished product.

Act 1252 of 1997 exempts from the sales tax residential lawn care.

Act 1256 of 1997 excludes district and state fairs and the 4 state livestock shows from the term “special events” so that promoters no longer have to collect or remit the tax. Vendors at the fairs must continue to collect tax if they hold a retail sales tax permit.

Act 1260 of 1997 exempts from the sales tax goods withdrawn from inventory and donated to the National Guard, emergency service workers, or volunteers providing disaster relief.

Act 1263 of 1997 exempts from the sales tax the services of credit reporting and debt collecting.

Act 1303 of 1997 provided an exemption for the purchase of school buses if the buses are used exclusively by the purchaser to provide school services for an Arkansas school district.

Act 1348 of 1997 provides that a person who purchases a motor vehicle and the vehicle is destroyed or damaged within 180 days of registration and the damage is caused by a "catastrophic event resulting from a natural cause" then the person is entitled to a sales tax credit voucher for state and local tax paid on the damaged vehicle.

Act 854 of 1999 exempts from the gross receipts tax the sale of catalysts, chemicals, reagents, and solutions used to produce, manufacture, fabricate, process or finish articles of commerce, or used to prevent or reduce air or water pollution, at facilities in the state, including chemicals purchased by cities and counties for use in wastewater treatment plants.

Act 995 of 1999 changes the name of the Manufacturer's Investment Sales and Use Tax Credit Act to the Economic Investment Tax Credit Act, adds additional eligible business types, and provides that a project investment must exceed \$5 million for a single location or \$6 million for multiple locations.

Act 1033 of 1999 exempts machinery and equipment used in the agricultural production of grass, sod or nursery products.

Act 1062 of 1999 limits the exemption for sales of goods by a charitable organization by providing that sales of new tangible personal property which "compete" with sales by a for-profit business are not exempted.

Act 1110 of 1999 amends the definition of "manufacturing" in the manufacturing exemption to provide that retreading tires for motor vehicles qualifies as manufacturing regardless of whether the retreaded tires are sold for subsequent resale.

Act 1130 of 1999 amends the Arkansas Enterprise Zone Act of 1993 by adding more businesses eligible for the sales tax refund and modifying the definitions of "new permanent employee".

Act 1334 of 1999 exempts the first \$50,000 of the purchase price of machinery, equipment, and attachments (not repair and replacement parts) used by a person primarily engaged in the harvesting of timber and used in the off-road harvest of timber (for cutting until loaded for transport). Exemption expires June 30, 2001.

Act 1135 of 1999 amends the Arkansas Tourism Development Act by transferring administration of the program to the Arkansas Dept. of Economic Development, expanding the benefits to lodging facilities, modifying the definition of "increased state sales tax liability", allowing the sales tax credit to offset 100% of the eligible sales tax liability, and allowing a nine year carry forward of unused credit.

Act 541 of 2001 extends special incentives for qualified steel manufacturers with new plant investments of a minimum two hundred million dollars.

Act 622 of 2001 provides that the timber harvesting equipment exemption from the Arkansas Gross Receipts tax

and the Arkansas Compensating tax shall not expire on June 30, 2001.

Act 628 of 2001 provides equal sales tax treatment to charitable gift shops located in for-profit or non-profit hospitals.

Act 737 of 2001 amends the Economic Investment Tax Credit Act to benefit defense industry projects with a minimum five million dollar investment and the creation of two hundred fifty fulltime jobs.

Act 982 of 2001 exempts the consolidated waterworks bonds and interest from all taxation, state, county and municipal including income and inheritance taxation.

Act 1065 of 2001 allows the addition of coal mines to be the recipient of tax incentives provided by the Enterprise Zone Act for economic development purposes.

Act 1375 of 2001 exempts from gross receipts and compensating use tax the natural gas and electricity used to manufacture wall or floor tiles.

Act 1683 of 2001 exempts the sale of packaging materials used for waste materials utilized for fuels from the Arkansas Gross Receipts and Compensating taxes.

Act 365 of 2003 exempts the sales of new modular homes constructed from materials of which the state gross receipts or compensating use tax has been paid.

Act 551 of 2003 provides that the gross proceeds in excess of nine thousand, one hundred, fifty dollars (\$9,150.00) derived from the sales of truck tractors (class 5,6,7 or 8) are exempt. Also provides that the gross proceeds in excess of one thousand (\$1,000.00) derived from the sales of new or used semi-trailers are exempt.

Act 877 of 2005 exempts electricity used for the production of chlorine and other chemicals using a chlor-alkali manufacturing process from sales tax.

Act 1296 of 2005 amends the Consolidated Incentives Act of 2003 to broaden the types of business and programs eligible for tax credits.

Act 1441 of 2005 expands existing instructional materials sales tax exemptions to include sheet music, educational video tapes, flash cards and workbooks.

Act 1865 of 2005 provides a sales and use tax exemption for a non-profit museum acquiring artwork with a fair market value exceeding \$100,000,000.

Act 2132 of 2005 exempts sales of tangible personal property or services to the Arkansas Symphony Orchestra Society, Inc.

Act 2162 of 2005 exempts from sales tax the fees collected by state institutions for parking services except for athletic and special events.

Act 2168 of 2005 creates an exemption from sales and use taxes for livestock reproduction equipment and substances used in livestock reproduction.

Act 140 of 2007 amends the sales tax exemption law for adaptive medical equipment and durable medical equipment applying to wheelchair lifts and automobile hand controls.

Act 548 of 2007 exempts from sales and use tax the natural gas and electricity used in the manufacturing of tires.

Act 767 of 2009 exempts from sales and use tax thermal imaging equipment purchased by county government to be used by law enforcement aircraft.

Act 941 of 2009 provides a credit or rebate on local sales and use tax paid above twenty-five hundred dollars on the purchase of a trailer.

Act 1176 of 2009 exempts the Arkansas Search Dog Association, Inc. from payment of sales and use tax.

Act 1205 of 2009 exempts the sale of raw products at a farmer's market where the products are produced and sold by the producer.

Act 1208 of 2009 clarifies that partial replacement of manufacturing machinery and equipment that improves manufacturing efficiency are exempt from the sales and use tax.

Act 753 of 2011 to increase the amount below which sales and use tax is not due if the total consideration for the sale is less than \$4,000 on the purchase of a motor vehicle, trailer and semi-trailer.

Act 754 of 2011 decreases the sales and use tax on natural gas and electricity used by manufacturers.

Act 755 of 2011 amends the sales and use tax rate on food and food ingredients to one and three-eighths percent, 1.375%.

Act 757 of 2011 creates a sales tax holiday for clothing, clothing accessories, or equipment, school supplies, school art supplies, and school instructional material.

Act 824 of 2011 concerns agricultural exemptions for sales and use taxes to exempt water purchased from a public surface-water delivery project to reduce dependence on ground water used for agriculture.

Act 998 of 2011 provides a sales and use tax exemption for the Arkansas Black Hall of Fame Foundation, Incorporated.

Act 1058 of 2011 exempts from sales and use tax the gross receipts derived from the sale of class six or seven trucks and semitrailers.

Act 1226 of 2011 exempts a wholesale manufacturer of beer from paying sales and use tax on kegs used to sell beer wholesale.

Act 233 of 2013 amends the exemption for certain machinery and equipment used in removing pollutants.

Act 1392 of 2013 exempts expendable supplies used for farm machinery from sales and use tax.

Act 1401 of 2013 exempts utilities used by graindrying and storage facilities from sales and use tax.

Act 1402 of 2013 amends the sales and use tax exemption on new and used timber harvesting machinery, equipment, and related attachments, to exempt the entire purchase price.

Act 1414 of 2013 creates an exemption from sales and use tax for dental appliances sold to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist.

Act 1419 of 2013 exempts nonprofit blood donation organizations from sales and use tax.

Act 1441 of 2013 exempts utilities used for qualifying agricultural structures and qualifying aquaculture and horticulture equipment from sales and use tax.

Act 300 of 2014 includes sand and other proppants used in oil and gas wells, as part of the exemption on machinery and equipment used directly in the manufacturing process.

### **History:**

The first Sales Tax Act was passed in Arkansas by Act 233 of 1935 and provided for the levying of a two percent (2%) tax on the gross proceeds from all retail sales. This tax was a temporary tax measure and was to be levied from May 1, 1935 to July 1, 1937. There was a border city tax exemption, but no provision for a discount to retailers for collecting and reporting the tax. It did exempt "all goods necessary to life, more specifically defined as follows: Flour, Meat, Lard, Sugar, Soda, Baking Powders, Salt, Meal, Butter fats, Eggs, and all medicines necessary for the preservation of public health". Section 17 of this Act prohibited the retailer from representing that he would assume or absorb the tax.

Since, under Act 233 of 1935, the Emergency Retail Sales Tax was to expire in July of 1937, the legislature, by Act 154 of 1937, enacted The Arkansas Retail Sales Tax Law containing about the same provisions as the previous Act.

The current "sales tax" law was enacted by Act 386 of 1941 as "The Arkansas Gross Receipts Act of 1941" and called for the levying of a two percent (2%) tax upon the gross proceeds or gross receipts derived from the sale of certain tangible personal property.

The rate of the Sales Tax was increased from two percent (2%) to three percent (3%) by Act 19 of 1957, which was submitted to referendum at the general election, November 6, 1958, and approved by a vote of 211,490 to 86,418.

Act 146 of 1983 provides that the Joint Interim Committee on Revenue and Taxation shall study each exemption to the Sales and Use Tax to determine which, if any, of the Sales and Use Tax exemptions are not necessary or not justified and prepare proposed legislation for abolishing the various exemptions which the Committee finds not to be justified and not necessary.

Act 63 of the 1st Extraordinary Session of 1983 increased the Sales Tax from 3% to 4%.

Act 88 of the 1st Extraordinary Session of 1983 levies the Sales Tax upon the sale of computer software and upon the service, repairing, and maintaining of computer equipment.

Act 7 of 1987 repeals the Gross Receipts Tax exemption on cigarettes.

Act 27 of 1987 imposes the Gross Receipts Tax upon interstate telephone calls and provides for the collection of the sales tax on out-of-state vendors who solicit sales within the State.



Act 188 of 1987 imposes the Gross Receipts Tax upon cable TV services.

Act 191 of 1987 levies a 2% Gross Receipts Tax until June 30, 1989 on telephones shipped into the State for repair. After June 30, 1989, such repair will be exempt from the Gross Receipts Tax.

Act 372 of 1987 requires a deposit of \$250 for the issuance of a new Sales Tax permit.

Act 502 of 1987 authorized a Tax Penalty Amnesty period from September, 1987 to November 30, 1987 on all taxes collected by the Revenue Department.

Act 10 of the 1st Extraordinary Session of 1987 provides that retailers having net average sales of more than \$200,000 per month in the preceding calendar year are required to remit their Gross Receipts Tax in the following manner:

1. 40% of the tax due on monthly average sales on or before the 12th of each month
2. 40% of the tax due on monthly average sales on or before the 24th of each month
3. The balances of actual collection for the month are due by the 20th day of the following month.

Act 13 of the 1st Extraordinary Session of 1987 imposed the Gross Receipts Tax upon the lease or rental of tangible personal property whether or not the Gross Receipts or Use Tax was paid at the time of purchase. The following leases or rental are exempt from the tax if the Gross Receipts or Use Tax was paid on the purchase:

1. motor vehicles leased for more than 30 days for commercial purposes,
2. diesel trucks used in shipping or farm machinery, regardless of the length of the lease,
3. a lease or rental of 30 days or more.

This Act also provided that, for the period beginning July 1, 1987 and ending June 30, 1989, the sale of tangible personal property to persons engaged in the business of leasing or renting shall not be a sale for resale.

Act 412 of 1989 requires dealers to collect the sales tax on certain motorized cycles and all-terrain vehicles at the point of sale.

Act 510 of 1989 levies an additional sales tax of 4% on the short-term rental of motor vehicles. This Act also levies an additional 1% tax on other short-term rentals, but allows a sale for resale exemption on the purchase of rental items.

Act 769 of 1989 expands the application of the sales tax on cable television services to include all video and audio services provided to the customers or subscribers.

Act 9 of the 3rd Extraordinary Session of 1989 provides that no credit is allowed for the Sales or Use Taxes paid to another state with respect to the purchase of motor vehicles, trailers or semi-trailers which are first registered by the purchaser in this State.

Act 3 of 1991 increased the sales tax by ½ percent and imposes the sales tax on the sale of all used motor vehicles, trailers, mobile homes, and airplanes.

Act 688 of 1991 provides for a penalty of \$50 for failure to file a timely tax report after the taxpayer has been notified that he has failed to file the reports.

Acts 58 and 61 of the 1st Extraordinary Session of 1992 provide that qualified aircraft businesses may qualify for The Enterprise Zone sales and use tax refund if the company makes an investment of \$5 million or more. The Acts exempt from the sales tax the service of repairing, modifying, converting or maintaining commercial jet aircrafts, and for tangible personal property which becomes part of a commercial jet aircraft.

Act 5 of the 2nd Extraordinary Session of 1992 subjects certain personal services to the sales tax, and those dues and fees from spas, health and fitness clubs, and private clubs that serve drinks.

Act 6 of the 2nd Extraordinary Session of 1992 limits the discount for prompt payment of sales tax to \$1,000/month.

Act 282 of 1993 clarifies the application of the gross receipts tax on debt collection.

Act 620 of 1993 eliminates the \$250 gross receipts permit and levies a \$50 non-refundable gross receipts tax permit.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 1059 of 1993 provides that only the vehicle rental tax shall apply to rental vehicles.

Act 1070 of 1993 permits local option sales and use taxes be dedicated to a school district.

Act 1250 of 1993 levies the sales tax on machinery, equipment and materials used or consumed in the manufacturing process.

Act 268 of 1995 clarifies that the isolated sales exemption does not apply to motor vehicles.

Act 284 of 1995 provides that the rental of condos, townhouses and other accommodations to transient guests for less than 30 days are subject to the sales tax.

Act 358 of 1995 provides that the seller of goods is liable for the sales tax unless the seller takes in good faith from the buyer a completed resale certificate.

Act 370 of 1995 provides that all vendors at “special events” must collect sales tax on all taxable sales regardless of whether they have a sales tax permit.

Act 1008 of 1995 provides that if the highway bond issue is approved by the voters, the sales tax would increase by ½%.

Act 156 of 1997 implemented the Initiated Constitutional Amendment [Amendment 75] Conservation Tax which levies an additional 1/8<sup>th</sup> cent sales and use tax upon all taxable sales of property and services subject to the Arkansas Gross Receipts Tax. Revenue from the conservation tax is special revenue and is distributed as follows: 45% to the

Game Protection Fund; 45% to the Department of Parks and Tourism Fund Account; 9% to the Department of Heritage Fund Account; and 1% to the Keep Arkansas Beautiful Fund Account.

Act 391 of 1997 provides that the sellers of tangible personal property or services relies on "good faith" on its customers claim of exemption from sales tax. If the customer is not exempt, the seller is not liable for the sales tax.

Act 635 of 1997 provides that retailers with average net sales in excess of \$200,000 per month are required to prepay their sales tax. This Act allows two methods of payment: 1.) 2 prepayments each equal to 40% of average monthly sales based on previous calendar year. Payments are due the 12<sup>th</sup> and 24<sup>th</sup> of the reporting month. 2.) 1 prepayment equal to 80% of the current months tax liability due on the 24<sup>th</sup> of the month with the balance due when report is filed.

Act 1076 of 1997 provides that persons engaged in the business of renting or leasing motor vehicles shall collect the gross receipts tax in the lease or rental payments in lieu of paying tax at the time of registration. Also, this Act specifically provides that service contracts, maintenance agreements and extended warranties are subject to sales tax.

Act 598 of 1999 permits, but does not require, the collection of sales tax at the time of signing of a prepaid funeral contract in lieu of collection when the property is provided.

Act 1031 of 1999 allows the Director to notify a sales tax permit holder, with no reported taxable sales within the past 12 months, that the permit will expire. The taxpayer may retain the permit by petitioning the Director and establishing that a need for the permit will arise within the next immediate 12 month period.

Act 1062 of 1999 provides that sales by a charitable organization which competes with sales by a for-profit business are subject to the sales tax.

Act 1152 of 1999 repealed the 20% tax on bingo admissions, cards, and devices and requires operators to obtain a sales tax permit and collect state and local sales tax on sales of devices used to play bingo and admission charges to bingo games.

Act 1220 of 1999 modifies the definition of "sale" to include the leasing and rental of motor vehicles and trailers, clarifies that for leases or rentals for less than 30 days the sales tax is paid regardless of whether the tax was paid by the lessor at purchase and that for leases or rentals for 30 days or more the sales tax is paid unless the lessor paid sales tax at the time of purchase, and states that the "rental vehicle tax" is levied in addition to the gross receipts tax.

Act 1348 of 1999 provides that sales of prepaid long distance cards are subject to sales tax at the time of purchase in lieu of remitting taxes on prepaid calls as they are made.

Act 1492 of 1999 increased the sales tax ½% effective 1/1/2001 upon voter ratification of Constitutional Amendment 79 related to property tax at the November 2000 general election.

Act 907 of 2001 adopts and implements the Mobile Telecommunications Sourcing Act which applies the Gross Receipts Tax to selected telecommunications services.

Act 1040 of 2001 requires DF&A to submit sales and use tax reports to cities and counties listing all businesses remitting taxes for the requesting entity.

Act 1047 of 2001 requires the seller of a used vehicle claiming a tax credit on the purchase of a new or used vehicle provide a bill of sale signed by all parties to the transaction.

Act 1064 of 2001 amends the gross receipts tax on telecommunication to allow both the taxable and nontaxable telecommunication services billed on a combined basis be attributed to the taxable communications services.

Act 1279 of 2001 adopts the Uniform Sales and Use Tax Administration Act which authorized the Dept. of Finance and Administration to enter agreements with other states in order to provide a mechanism with which to maintain a cooperative, simplified system for the application and administration of sales and use taxes.

Act 1401 of 2001 clarifies that expenditures for items previously purchased as part of the Enterprise Zone Project or Economic Development Act are not eligible for refund of sales and use tax.

Act 1834 of 2001 requires the payment of gross receipts tax or use tax when a motor vehicle is transferred pursuant to the statement of origin.

Act 458 of 2003 requires an insurer to pay sales taxes and certain fees in insurance settlements involving damage to an automobile as a total loss. The Act makes the insurer's failure to pay the taxes and fees an unfair claims settlement practice.

Act 599 of 2003 clarifies the definition of the term "sale" to not include the transfer of title by the vehicle owner to an insurance company.

Act 664 of 2003 allows taxpayers owing an average of less than \$100 a month during the previous fiscal year to file quarterly tax returns instead of monthly returns.

Act 665 of 2003 requires retailers averaging net sales of \$200,000 per month during the preceding calendar year to make pre-payment of sales tax by electronic transfer.

Act 747 of 2003 clarifies the 2% prompt payment discount applies to state gross receipts only, not local gross receipts tax.

Act 996 of 2003 allows members of the National Guard or Reserves ordered to active duty outside this state an additional 90 days after returning to the state to renew state licenses, permits, registrations, credentials or certificates; and to pay state taxes, fees, assessments or tuition without penalty.

Act 1084 of 2003 imposes a penalty for incomplete electronic payments of taxes, licenses, or fees.

Act 1112 of 2003 clarifies taxation of dues and services provided by a private club. The preparation and serving of mixed drinks or the cooling and serving of beer and wine is subject to the gross receipts tax.

Act 1273 of 2003 enables Arkansas to enter into the Streamlined Sales and Use Tax Agreement with other states.

Act 1354 of 2003 clarifies prohibited conduct, time limitations and penalties regarding the homestead property tax credit.

Act 1718 of 2003 clarifies the definition of a taxpayer, the time for claiming a refund of an overpaid tax and the procedure for repealing a tax assessment after payment.

Act 32, Second Extraordinary Session of 2003 clarifies the application of sales tax to the sale of textbooks and instructional materials to school districts and public schools within Arkansas.

Act 46, Second Extraordinary Session of 2003 provides for the closure of businesses failing to report and remit sales and use taxes.

Act 107, Second Extraordinary Session of 2003 increased the sales and use tax rate 7/8 percent effective March 1, 2004. The additional tax shall be special revenue and credited to the Educational Adequacy Fund. Includes within the tax base, effective July 1, 2004, for the first time, the following specific service companies or business practices: wrecker and towing services; collection and disposal of solid waste; cleaning parking lots and gutters; dry cleaning and laundry services; industrial laundry services; mini warehouse and self-storage rental services; body piercing, tattooing, and electrolysis services; initial installation labor services; pest control services; service of replacement of flooring; security and alarm monitoring services; boat storage and docking fees; furnishing camping spaces; locksmith services and pet grooming.

Act 647 of 2005 reduces the sales tax on food upon Federal law authorizing the state to collect sales tax from non-nexus sellers and those collections equal 150% of the sales tax collected on food.

Act 659 of 2005 requires the Treasurer of State to make monthly distributions from the Property Tax Relief Trust Fund to each county Treasurer.

Act 1693 of 2005 provides a decal be attached to each piece of heavy equipment as proof that sales and use tax has been paid or that the equipment is exempt from sales and use tax.

Act 1879 of 2005 clarifies the meaning of telecommunications and preserve current collections from the gross receipts tax, effective until contingency in Act 1273 of 2003 are met.

Act 2008 of 2005 changes the effective date of Act 1273 of 2003 to July 1, 2007 which changes Arkansas sales tax laws to be in compliance with the Streamlined Sales Tax Agreement.

Act 2163 of 2005 provides the administrative provisions of the Streamlined Sales Tax Agreement and allows DFA to participate with other states in developing the Streamlined Sales Tax System.

Act 110 of 2007 lowers the sales and use tax rate on food and food ingredients to 3%.

Act 116 of 2007 provides that elections may be called with respect to certain local sales and use taxes upon petition of the legal voters of the municipality.

Act 154 of 2007 provides that no tax is due for a free pass to a recreational event.

Act 179 of 2007 provides a rebate for local tax paid on single transactions to be consistent with the streamlined sales and use tax agreement.

Act 180 of 2007 changes the effective date of the streamlined sales and use tax agreement in codified 88 of Act 1273 of 2003 as amended by Act 2008 of 2005.

Act 181 of 2007 allows a refund request on bad debts; to repeal the sales tax sourcing rules for florist; to provide sales tax collection relief to sellers in accordance with the streamlined sales tax and use tax agreement.

Act 182 of 2007 provides consistency with the streamlined sales and use tax agreement and to move the special excise taxes from the gross receipts section of the code.

Act 185 of 2007 reduces the sales and use tax rate on natural gas and electricity used or consumed in manufacturing.

Act 196 of 2007 allows tax free distributions from IRA plans for charitable purposes as adopted in the federal internal revenue code.

Act 212 of 2007 provides additional time for taxpayers to request an administrative hearing and clarifies the time for requesting review of administrative decisions.

Act 277 of 2007 prohibits any state supported institution of higher ed from referencing a textbook company website, if the textbook company does not agree to collect state sales and use taxes.

Act 361 of 2007 clarifies that all taxable services may be purchased tax free as a sale for resale.

Act 368 of 2007 amends the sales and use tax laws pertaining to the taxability of the lease or rental of portable toilets and associated services.

Act 437 of 2007 allows the Department of Economic Development to obtain information related to economic development incentives from Department of Finance and Administration.

Act 473 of 2007 allows counties to levy a sales tax by ordinance if a municipality within the county levies a similar tax on similar establishments.

Act 550 of 2007 repeals conflicting language in Arkansas law pertaining to sales taxes on leases or rental vehicles.

Act 1011 of 2007 clarifies the application of taxes on guided fishing trips.

Act 1039 of 2007 adjusts the amount of tax credits available to qualified lodging facilities and qualified amusement parks retroactively to July 2006.

Act 1596 of 2007 amends the Consolidated Incentives Act to adapt to a changing economy.

Act 272 of 2009 amends the Arkansas Tax Procedures Act to allow disclosure to Chapter 13 bankruptcy trustees of whether or not a taxpayer has filed a state tax return.

Act 384 of 2009 provides consistency with streamlined sales and use tax agreement clarifying withdrawal from stock is subject to sales and use tax.

Act 436 of 2009 reduces the state sales and use tax rate on food and food ingredients to 1.875% beginning July 1, 2009, 76.6% of which is general revenue.

Act 682 of 2009 repeals Act 1693 of 2005 to amend the method in which sellers of heavy equipment prove that Arkansas taxes have been paid on sales of heavy equipment.

Act 691 of 2009 decreases the excise tax rate on natural gas and electricity used or consumed in manufacturing to 3.125%. If the tax savings reach \$27 million, no additional claims will be processed.

Act 695 of 2009 reduces the sales and use tax rate on utilities used by a manufacturer.

Act 755 of 2009 changes the standard of proof concerning claims for exemptions, deductions, credits and set the standard for review on appeal.

Act 1274 of 2009 repeals the gross receipts tax on mini-warehouses and self storage rental services.

Act 291 of 2011 amends sales and use tax laws to be consistent with the streamlined sales and use tax agreement.

Act 753 of 2011 to increase the amount below which sales and use tax is not due, if the total consideration of the sale is less than \$4,000 on the purchase of a motor vehicle, trailer and semitrailer.

Act 754 of 2011 decreases the sales and use tax on natural gas and electricity used by manufacturers.

Act 755 of 2011 amends the sales and use tax rate on food and food ingredients to one and three-eighths percent, 1.375%.

Act 757 of 2011 creates a sales and use tax holiday for clothing, clothing accessories or equipment, school supplies, school art supplies and school instructional material.

Act 785 of 2011 allows delinquent taxes, penalty and interest owed to Department of Finance and Administration to be paid from the proceeds of tax delinquent land sales.

Act 789 of 2011 allows the Department of Finance and Administration to offset any tax refund due for any tax collected by DFA against a debt for any tax administered by DFA.

Act 983 of 2011 makes technical corrections to Title 26 such as defining mobility enhancing equipment and establishing the excise tax rate on the gross receipts derived from natural gas and electricity used directly in manufacturing.

Act 1001 of 2011 transfers responsibility to collect sales and use tax to an affiliated person with a referral agreement with a business entity having sales over \$10,000 in the state.

Act 1047 of 2011 establishes criteria for a prospective employer planning an economic development project using an amendment 82 agreement.

HJR 1001 of 2011, which became Amendment 91 upon voter approval, created a temporary 0.5% sale and use tax.

Act 1398 of 2013 provides for a reduction to the sales and use tax on food and food ingredients, if certain funds reduce the impact on general revenue by \$35,000,000, as compared to the corresponding six month period.

Act 1404 of 2013 provides for a refund of taxes in excess of 4.875% on partial replacement and repair of machinery and equipment used directly in manufacturing.

Act 1411 of 2013 reduces the tax on natural gas and electricity used by a manufacturer.

Act 1450 of 2013 provides for a reduction to the sales and use tax on food and food ingredients, if certain funds reduce the impact on general revenue by \$35,000,000, as compared to the corresponding six month period.

## Revenues Generated:

### General Revenue

Fiscal Year Ending June 30	Amount	%Change
2003	\$1,731,550,342	1.22
2004	\$1,823,730,303	5.32
2005	\$1,960,958,598	7.52
2006	\$2,115,604,815	7.89
2007	\$2,209,733,068	4.45
2008	\$2,150,160,511	(2.70)
2009	\$2,107,094,754	(2.00)
2010	\$1,967,658,790	(6.62)
2011	\$2,069,982,101	5.20
2012	\$2,128,049,236	2.81
2013	\$2,147,310,549	0.91
2014	\$2,197,769,893	2.35

General revenues from Sales Tax and Compensating Use Tax are reflected separately in Tax Handbooks published before FY2011.

### Special Revenue: Conservation Tax

Fiscal Year Ending June 30	Amount	%Change
2003	\$47,018,312	(0.89)
2004	\$50,132,356	6.62
2005	\$53,712,961	7.14
2006	\$57,986,358	7.96
2007	\$60,806,813	4.86
2008	\$60,619,260	(0.31)
2009	\$60,540,900	(0.13)
2010	\$58,417,298	(3.51)
2011	\$61,455,484	5.20
2012	\$63,474,586	3.29
2013	\$64,241,398	1.21
2014	\$66,248,669	3.12

### Special Revenue: Property Tax Relief

Fiscal Year Ending June 30	Amount	%Change
2003	\$188,865,870	0.61
2004	\$200,051,681	5.92
2005	\$211,516,148	5.73
2006	\$231,640,318	9.51
2007	\$242,680,091	4.77
2008	\$235,605,129	(2.92)
2009	\$232,216,234	(1.44)
2010	\$217,595,768	(6.30)
2011	\$288,910,631	5.20
2012	\$233,876,345	2.17
2013	\$235,940,181	0.88
2014	\$242,581,778	2.81

## Special Revenue: Educational Adequacy

Fiscal Year Ending June 30	Amount	%Change
*2004	\$ 97,547,085	-----
2005	\$372,459,664	281.83
2006	\$404,521,835	8.61
2007	\$423,756,993	4.76
2008	\$410,529,367	(3.12)
2009	\$403,786,608	(1.64)
2010	\$381,267,977	(5.58)
2011	\$401,735,552	5.37
2012	\$410,374,164	2.15
2013	\$413,732,251	0.82
2014	\$425,292,949	2.79

\*Three months collections

### Distribution of Tax:

All revenues derived from Sales Tax are classified as general revenues, with the exception of the taxes collected on the sale of aviation fuel, aviation services, aircraft parts and accessories, and aircraft which are special revenues credited to the Aeronautics Department Fund. 3% of the 1% sales tax for Texarkana, in lieu of the State Income Tax, is deposited as special revenue and credited to the State Central Services Fund. Also, the additional 1/8<sup>th</sup> cent conservation tax and the 1/2 cent for property tax relief, as well as the 7/8 cent for the Educational Adequacy Fund, is deposited as special revenue.

Amendment 91 – 0.5% tax deposited to State Highway and Transportation Department Fund, County Aid Fund and Municipal Aid Fund, after required deductions.

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 26-52-301; 26-52-302

## **1.8. TWO PERCENT TOURISM TAX**

The tax is levied upon the gross receipts or gross proceeds derived from admissions to tourist attractions or the sale or rental on items related to tourism. The tax is collected, reported and paid in the same manner as all other gross receipts taxes. The monies collected are deposited as special revenues and credited to the Tourism Development Trust Fund.

### **Rate and Base:**

A tax of 2% is levied upon the gross receipts of the following:

Admission to theme parks, water parks, water slides, river and lake boat cruises and excursions, local sightseeing and excursion tours, helicopter tours, excursion railroads, carriage rides, horse racing, dog racing, indoor or outdoor plays or music shows, folk centers, observation towers, privately-owned or operated museums, privately-owned historic sites or buildings, and natural formations;

The services of furnishing hotel and motel rooms, lodging houses, condominiums and tourist camps or courts to transient guests;

Camping fees at public or private campgrounds;

Rentals of watercraft, boats, motors and related motor equipment, life jackets and cushions, water skis, oars and paddles.

### **Exemptions:**

1. Special events of not more than 14 days;
2. Events of a school, college or university;
3. Events of restaurants, coffee shops, and dinner theaters which admit dinner guests only;
4. Public eating establishments;
5. Gross receipts or gross proceeds derived from the sale or rental of tangible personal property or services to: Boy Scouts of America, Girl Scouts of America, Boys or Girls Clubs of America or any local councils or organizations of the Boys Club, 4-H Clubs, FFA Clubs, Arkansas 4-H Foundation, Arkansas FFA Foundation, and the Arkansas FFA Association;
6. Camping fees to federal campgrounds.

### **History:**

The Tourism Tax was authorized by Act 38 of 1989 at a rate of 2%.

Act 1026 of 1991 provides that sales that are subject to the 2% tourism tax shall not be subject to the 1% short term rental tax.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 284 of 1995 provides that rentals of condominiums, townhouses, rental houses and other accommodations are subject to the tourism tax.

Act 1039 of 2007 adjusts the amount of tax credits available to qualified lodging facilities and qualified amusement parks retroactively to July 2006.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 8,553,379	2.85
2004	\$ 8,954,267	4.69
2005	\$ 9,768,550	9.09
2006	\$10,571,905	8.22
2007	\$11,202,046	5.96
2008	\$11,820,816	5.52
2009	\$11,592,817	(1.93)
2010	\$11,571,876	(0.18)
2011	\$11,844,913	2.36
2012	\$12,504,994	5.57
2013	\$12,723,244	1.75
2014	\$13,092,045	2.90

### **Distribution of Tax:**

All revenue derived from the tax is deposited as special revenues credited to the Tourism Development Trust Fund.

### **Administered by:**

Department of Finance and Administration - Revenue Services Division

### **Cite:**

Arkansas Code (1987) 26-52-1002

## 1.9. DYED DISTILLATE GALLONAGE TAX

An excise tax on all dyed distillate special fuel sold, used or utilized in this State.

### Rate and Base:

6¢ per gallon

### Exemptions:

Biodiesel fuel is a diesel fuel substitute produced from nonpetroleum renewable resources.

### History:

Act 87 of 2007 imposes a gallonage tax on dyed distillate special fuel sold, used or utilized in the State.

### Revenues Generated:

#### General Revenue

Fiscal Year Ending June 30	Amount	%Change
2008	\$ 9,183,627	-----
2009	\$11,825,281	28.76
2010	\$11,231,490	(5.02)
2011	\$11,824,645	5.25
2012	\$11,961,297	1.18
2013	\$13,015,117	8.81
2014	\$12,699,126	(2.43)

#### Special Revenue: Educational Adequacy

Fiscal Year Ending June 30	Amount	%Change
2008	\$ 1,786,370	-----
2009	\$ 2,300,217	28.77
2010	\$ 2,183,574	(5.07)
2011	\$ 2,300,147	5.34
2012	\$ 2,326,066	1.13
2013	\$ 1,949,333	(16.20)
2014	\$ 1,875,422	(3.79)

#### Special Revenue: Property Tax Relief Fund

Fiscal Year Ending June 30	Amount	%Change
2008	\$ 1,019,070	-----
2009	\$ 1,312,204	28.77
2010	\$ 1,245,663	(5.07)
2011	\$ 1,311,893	5.32
2012	\$ 1,326,676	1.13
2013	\$ 1,108,455	(16.45)
2014	\$ 1,066,417	(3.79)

### Distribution of Tax:

General Revenue to receive 76.6% of collections

Special Revenue for credit to the Property Tax Relief fund (8.5%) and Educational Adequacy Fund (14.9%)

### Administered by:

Department of Finance and Administration – Revenue Services Division

### Cite:

Arkansas Code (1987) 26-52-401 (11) (A); 26-52-224(b)-(f); 26-56-204; 26-52-417; 26-19-101; 26-56-109; 26-56-230; 26-56-231; 26-56-223; 26-56-209; 27-70-201; 27-70-203; 27-70-206; 27-70-207; 26-56-217 (a) (1) (b) (1);

## Section 2 - Income Taxes

### 2.1. CORPORATE INCOME TAX

An income tax is imposed on the net income of every corporation organized under the laws of this State and every foreign corporation doing business within the jurisdiction of this State and such tax is to be paid annually to the State.

#### Rate and Base:

1. On the first \$ 3,000 of net income..... 1.0%
2. On the second \$ 3,000 of net income ..... 2.0%
3. On the next \$ 5,000 of net income ..... 3.0%
4. On the next \$ 14,000 of net income ..... 5.0%
5. On the next \$ 75,000 of net income, but not exceeding \$100,000 ..... 6.0%
6. On net income exceeding \$100,000 ..... 6.5%

#### Exemptions:

1. Interest upon obligations of the United States or its possessions or upon the State of Arkansas or any political subdivisions.
2. Unrelated business income of tax-exempt corporations provided that no part of the net earnings benefit any private stockholder or individual.
3. Dividends received by a corporation from a subsidiary if at least 80% of the subsidiary's capital stock is owned by such corporation.
4. By adoption of Sections 1501 through 1505 of the Federal Internal Revenue Code of 1954, as amended, corporations were permitted to file consolidated returns.
5. The following corporations are exempt from the Arkansas Income Tax Law:
  - a. Fraternal beneficiary societies, orders or associations,
    - i. operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system; and
    - ii. providing for the payment of life, sick, accident or other benefits to the members of such society, order or association of their dependents.
  - b. Foreign insurance companies;
  - c. Cemetery corporations and corporations organized for religious, charitable, scientific, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholders or individuals;
  - d. Business leagues, chambers of commerce, or boards of trade, not organized for profit and no part of the net earnings of which inures to the benefit of any private stockholders or individuals;
  - e. Farmers or other mutual hail, cyclone or fire insurance companies, mutual ditch or irrigation companies, mutual or cooperative telephone

companies or like organizations of purely local character; but only if eighty-five percent (85%) or more of the income of such organization consists solely of assessments, dues and fees collected from members for the sole purpose of meeting losses and expenses;

- f. Farmers, fruit growers, or like organizations organized and operated as sales agent for the purpose of marketing the products of members and turning back to them the proceeds of sales, less the necessary selling expenses, on the basis of the quantity of produce furnished by them;
- g. Labor, agricultural or horticultural organizations, no part of the net earnings of which inures to the benefit of any private stockholder or member.

Act 51 of 1983 provides that small business corporations and professional corporations in Arkansas shall be treated, for taxation purposes, under the State Income Tax Law, the same as provided in Subchapter (S) of the Federal Internal Revenue Code.

Act 785 of 1983 provides a tax credit of \$100 for a corporate manufacturing enterprise as an incentive for each new job created which did not previously exist in the enterprise during the taxable year for which the credit allowed by Act 785 is claimed.

Act 813 of 1983 creates "Enterprise Zones" in which qualifying businesses would be entitled to a \$2,000 income tax credit per net new employee for the taxable year in which the increase in average annual employment occurred.

Act 854 of 1983 adopts Federal Accelerated Cost Recovery System Depreciation for three and five-year property for tax years 1983 and 1984, and also adopts Federal Depletion Allowance of the Internal Revenue Code.

Act 410 of 1985 provides various preferential tax treatment for capital development corporations and for persons purchasing stock in such corporations.

Act 417 of 1985 provides income tax credit for water resource conservation and a credit for switching from ground water to surface water for irrigation.

Acts 469 & 759 of 1985 provide a 33% income tax credit for donation or sale below cost of new machinery or equipment to educational institutions.

Act 848 of 1985 provides phase-in of capital gains exclusion. Beginning in calendar year 1987, 10%; 1988, 30%; after 12-31-88, 60%.

Acts 24 and 30 of the 1st Extraordinary Session of 1985 provided a 33% credit for contribution made to public and private colleges and universities in Arkansas. The credit could not exceed 10% of the corporation's total adjusted gross income, or \$1,000, whichever was less. The credit expired on December 31, 1986.

Act 26 of the 1st Extraordinary Session of 1985 amended Act 417 of 1985 by limiting the credit to 50% of the cost of construction or restoration of a water impoundment of at least 20 acre-feet, and limited the amount of credit to no more than \$3,000 for no more than 10 years.



Act 35 of 1987 postpones until 1989 the phase-in exclusion of capital gains.

Act 48 of 1987 provides “qualified steel mills” an extension from three years to 10 years of the carry-forward of net operating loss, and an extension from two years to 10 years of the carry-forward of the income tax credit provided by the Enterprise Zone Law.

Act 382 of 1987 adopts general provisions of the Federal Income Tax Law and eliminates many of the differences previously existing in the Arkansas Income Tax Law, and increases the personal tax credits for dependents and taxpayers to \$20. The provisions are effective for income years 1987 and thereafter.

Act 536 of 1987 repeals the income tax withholding provision on State consultant contracts.

Act 575 of 1987 allows steel manufacturers who consume more than 50% electricity and/or more than 50% natural gas in the manufacture of steel to qualify for tax preferences under Act 48 of 1987.

Act 1033 of 1987 exempts domestic life and disability insurance companies from the State Income Tax.

Act 462 of 1989, known as the Enterprise Zone Act of 1989, defines a qualified business as an industry that fits into Standard Industrial Classification numbers 20 through 39 and 7375 or 7376, or the business is a distribution center located in the State. This Act provides a refund of Sales and Use Tax paid on material used in the construction, improvement or addition to a qualified building and on the machinery and equipment located in the building. This Act also provides a \$2,000 income tax credit per net new employee. This Act also provides that no business may file for benefits under this Act if an application for benefits has been filed and approved under the Manufacturer’s Sales and Use Tax Credit Act.

Act 494 of 1989 provides that financial institutions having business income from within and without the State must apportion their net income for Arkansas Income Tax purposes.

Act 615 of 1989 provides that net operating loss which results from farming operations and were not fully used may be carried forward an additional two years.

Act 660 of 1989 provides various preferential tax treatment for County Industrial Development Corporations and for persons purchasing stock in such corporations.

Act 826 of 1989, the “Arkansas Income Tax Technical Revenue Act of 1989,” adopted various federal income tax provisions dealing with foreign income exclusion, charitable contributions, moving expenses, and other federal income tax provisions. This Act increased the estimated tax threshold to \$250.

Act 854 of 1989 amended Act 462 of 1989 to provide that those Enterprise Zone businesses that qualified under Act 813 of 1983 may continue to receive the Enterprise Zone tax benefits until June 30, 1991, but not afterwards.

Act 910 of 1989 provides a special installment deferral of up to 15 years for the payment of Arkansas Estate Tax for certain qualifying businesses.

Act 933 of 1989 provides for the implementation of preferential tax treatment for capital gains beginning in calendar year 1991. This Act also contains a provision that would implement the special capital gains treatment prior to 1991 if such a law is enacted by Congress.

Act 136 and 137 of 1991 provides that a qualified steel manufacturer may carry forward a net operating loss for a total of ten years.

Act 333 of 1991 extends to 1994 the time during which purchasers of common stock of a capital development corporation may claim an income tax credit.

Act 685 of 1991 adopts various changes in the Federal Internal Revenue Code which were in effect as of January 1, 1991 for state income tax purposes.

Act 686 of 1991 reflects a new effective date (January 1, 1991) for the implementation of Internal Revenue Code Section 163 which provides that corporations may not deduct interest paid to a related party outside the United States.

Act 687 of 1991 provides that a taxpayer must recognize a gain or loss when the exchange of property involves the transfer of securities for property.

Act 748 of 1991 provides an income tax credit of 30% of the cost of waste reduction, reuse or recycling equipment including the cost of installation. To obtain the credit the taxpayer must be in the business of reducing, reusing or recycling solid waste for commercial purposes.

Acts 58 and 61 of the 1st Extraordinary Session of 1992 provide that a qualified aircraft company may claim an income tax credit of \$2,000 per net new employee if the company employs at least 50 net new employees within 60 months of receiving certification.

Act 453 of 1993 provides that educational cooperatives are instrumentalities and political subdivisions of the state. This allows contributions and donations to be deducted for state income tax purposes.

Act 654 of 1993 clarifies the eligibility for the income tax credit for the purchase of waste reduction and recycling equipment.

Act 721 of 1993 provides an income tax credit for shareholders of “S” Corporations for taxes paid in states that do not recognize “S” Corporations.

Act 785 of 1993 amends various sections of the code pertaining to corporate income tax.

Act 820 and 987 of 1993 provides with businesses an income tax credit of 3.9% of the salaries of employees employed exclusively in providing daycare services.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer. The requirement to remit by electronic fund transfer only applies to corporate estimated tax.

Act 942 of 1993 requires taxpayers claiming an income tax credit on the cost of construction or restoration of water compounds or the cost of abandoning or reducing the extraction of groundwater are assessed a fee of 3% of the total credit not to exceed \$150. The fee is payable to the Soil and Water Conservation Commission.

Act 947 of 1993 enacts a new enterprise zone law. It expands those businesses that can participate. Also, businesses do not have to be located in a designated enterprise zone to take advantage of tax credits.

Act 495 of 1995 specifies the allocation and apportionment rules for income of financial institutions with taxable business activity in Arkansas.

Act 560 of 1995 adopts IRC sections 126 and 175, which relate to exclusions and deductions for soil and water conservation programs.

Act 561 of 1995 allows an income tax credit (\$5,000/yr. max.) for cost of projects to restore wetlands and riparian zones. Projects must be approved by the Soil and Water Commission.

Act 586 of 1995 allows qualified medical companies to carry forward losses for 15 years and allows pass through of losses for qualified medical S corporations.

Act 682 of 1995 for the purposes of apportioning corporate business income, the sales factor is doubled.

Act 732 of 1995 exempts from gross income all life insurance proceeds, regardless of the identity of the beneficiary.

Act 831 of 1995 (Arkansas Economic Development Act of 1995) This program is similar to the Enterprise Zone Program, in that it offers income tax credits and sales and use tax refunds. The business must be in manufacturing, information retrieval or computer management services, office sector, corporate headquarters or distribution center.

Act 1044 of 1995 amends the County & Regional Industrial Development Act to extend to tax years 1996 through 1999, the time in which to take an income tax credit for purchasing common stock in a qualified corporation.

Act 1103 of 1995 allows an income tax credit to taxpayers who employ a “youth apprentice” through a federally-approved program. Credit is equal to the lesser of \$7,000 or 10% of youth’s annual wages.

Act 1160 of 1995 readopts and adopts various IRC sections for Arkansas income tax purposes.

Act 1224 of 1995 provides that upon the approval of the voters, the Soil and Water Commission or ADFA is authorized to issue general obligation bonds which are tax exempt.

Act 1250 of 1995 provides Enterprise Zone Benefits, for industry which locates at a municipal airport which qualifies as a “special target applicant.” A “special target applicant” generally is a municipal airport or a military installation slated for closure or located within 30 miles of such an installation.

Act 521 of 1997 allows nonprofit cooperative associations that are engaged in the production of agricultural products for the purpose of marketing or selling farm products, supplies and other activities to elect “to be governed” by the Arkansas Nonprofit Corporation Act of 1993 by amending and filing new articles of incorporation. Corporations created under this act are exempt from income tax and sales tax.

Act 590 of 1997 authorizes the organization of Red Imported Fire Ant Abatement Districts. These districts are permitted to issue bonds, the interest on the bonds is exempt from income tax and estate tax.

Act 607 of 1997 authorizes the Soil and Water Commission to issue up to \$300 million in general obligation bonds. Interest from the bonds is exempt from income tax.

Act 883 of 1997 provides an income tax deduction for net capital gains recognized from the sale of certain stock in a qualified small business. The deduction is available if:

1. Stock is issued after 12/31/98.
2. The business is a domestic corporation with total capitalization of less than \$100 million and with less than 10% of its assets held in real estate.
3. The stock must be held at least 5 years. Stocks held for 5 years creates a 50% deduction with the deduction increasing to 100% for stock held for 10 years.

Act 1117 of 1997 provides the following tax incentives for qualified development and production in biotechnology:

1. Credit equal to 5% of the cost (excluding undeveloped land) of construction or purchasing a “Biotechnology facility.”
2. Credit equal to 30% of the cost of training biotechnology employees or the cost of “Higher Education Partnership” which are research projects between a biotechnology business and a state supported college.
3. Credit equal to 20% of certain biotechnology research cost. Unused credits may be carried forward for 9 years.

Act 1168 of 1997 allows an income tax credit for employers of youths in unregistered apprenticeship programs if the programs are certified by the Arkansas Department of Education, Vocational and Technical Education Division. Unused credits may be carried forward 2 years.

Act 1189 of 1997 provides that a parent corporation may exclude from income dividends from a subsidiary if the parent corporation owns at least 80% of the subsidiary’s stock.

Act 1331 of 1997 allows an income tax credit for investors in the construction or rehabilitation of “affordable housing.” Proposals for such projects are to be approved by Arkansas Development Finance Authority. The credit is equal to 30% of the total investment and may be carried forward for 5 years. The total amount of tax credit available for any tax year is limited to \$750,000 per calendar year.

Act 1332 of 1997 allows an income or premium tax credit equal to 20% of the Federal Low Income Housing Tax Credit. A housing project is to be certified by the Arkansas Development Finance Authority. Unused credits may be carried forward for 5 years. The total amount of tax credits

available for any tax year is limited to \$250,000 per calendar year.

Act 575 of 1999 adjusts employer's income tax credit limitation based on comparison of the employer's average wage to the county or state average wage. No credit is available if the average wage is less than 125% of the state or county average. Credit may be used against 100% of the employer's tax liability if the average wage is at least 175% of the state or county average. The Arkansas Department of Economic Development may negotiate use of the credit against 100% of income if the employer is in a high unemployment area.

Act 765 of 1999 amends the Water Resource Conservation and Development Incentives Act by increasing the annual income tax credit for surface water conversion in critical areas to \$200,000 for projects using water for industrial or commercial purposes. The act increases the total amount of tax credits available under the Act to \$10,000,000 in any calendar year and provides that the tax credit shall expire in the year following the year in which the total tax credits exceed \$10,000,000.

Act 976 of 1999 provides an income tax credit for taxpayers who construct a facility which designs, develops, or produces photovoltaic devices, electric vehicle equipment, or fuel cells. The act provides that the credit shall be equal to 50% of the costs to construct the facility.

Act 1005 of 1999 repeals the 6% income tax rate on capital gains and in lieu thereof provides that 30% of all capital gains shall be exempt from state income tax.

Act 1036 of 1999 establishes an income tax credit to certain employers in an amount equal to 30% of the cost of tuition reimbursed by an employer to a full-time permanent employee for the cost of tuition, books, and fees for a program of undergraduate or post-graduate education from an accredited institution of post-secondary education located in Arkansas. The credit shall not exceed 25% of the business' income tax liability.

Act 1130 of 1999 amends the Arkansas Enterprise Zone Act of 1993. Increases maximum income tax credit per net new employee from \$2,000 to \$3,000; credit may be increased to \$6,000 per employee in high unemployment areas. This act also removes the ability to decertify a non-complying company.

Act 1134 of 1999 amends the Workforce Training Act to permit an income tax credit based on a portion of the cost of workforce training. The credit may be the lesser of 50% of the costs or a specified hourly training cost. The total amount of credits that may be granted to all companies in a single year is \$450,000. There are no provisions for carry forward nor is there a cap on the total amount that a company may claim in a year.

Act 1135 of 1999 makes various changes to the Arkansas Tourism Development Act, including the addition of an income tax credit of up to \$3,000 per net new employee (\$6,000 for high unemployment areas).

Act 1217 of 1999 (The Family Savings Initiative Act) creates a tax credit, limited to the lesser of \$25,000 or the tax due, with a three year carryover for 50% of contributions to a designated fiduciary organization for use as matching funds for "Individual Development Accounts". Taxpayers receive certification from the Dept. of Human Services. Calendar year credits certified cannot exceed \$100,000.

Act 1283 of 1999 provides that income attributable to an investment partnership's qualifying securities would not be taxed if distributed to a nonresident partner. "Investment partnership" is defined as a partnership with at least 90% of its assets comprised of investment securities plus office equipment. Only income derived from dividends, interest and gains would be excluded from a nonresident partner's income. The provisions of this act do not apply to income derived from investment activity that is interrelated with any trade or business activity of the nonresident or an Arkansas entity in which the nonresident owns an interest.

Act 1347 of 1999 (Arkansas Public Roads Improvements Credit Act) creates a tax credit, limited to 50% of the tax liability with a three year carryover, for 33% of contributions to the Public Roads Incentive Fund for projects.

Act 1367 of 1999 amends the Biotechnology Development and Training Act to provide an income tax credit for an Arkansas taxpayer engaged in the business of producing advanced biofuels (ethanol, methanol or their derivatives) through biological means other than crop fermentation. The credit is equal to 30% of the cost of buildings, equipment, and licensing fees. The credit is applicable to the first \$50,000 in income tax liability plus 50% of the remaining tax liability per year. Unused credit may be carried forward for nine years.

Act 773 of 2001 makes technical corrections amending various state corporate tax provisions to adopt recent changes in the Internal Revenue Service code, such as, the capitalization and amortization of corporate start up and organizational expenses for the purpose of computing state income tax liabilities.

Act 975 of 2001 amends the Arkansas Economic Development Act to define and redefine terms, make technical corrections on hourly wage computations and allows credits for investment instead of debt.

Act 982 of 2001 exempts the bonds and interest from all taxation, state, county and municipal, including income and inheritance taxation, associated with the financing of consolidated waterworks systems.

Act 1284 of 2001 amends the Arkansas Emerging Technology Development Act to add technologies eligible for tax benefits and to extend the carry-forward on income tax credits earned from six to fourteen years.

Act 1558 of 2001 allows a deduction from income for a guaranty fee paid to the small business administration by a small business.

Act 1584 of 2001 provides a net capital gain from venture capital investment shall be exempt from the Income Tax Act of 1929.

Act 182 of 2003 provides tax credits and investment incentives in response to the realization of specific requirements regarding economic development.

Act 993 of 2003 established a tax credit to coal mining operations within the state.

Act 1183 of 2003 clarifies allocation and apportionment of taxable income pursuant to the Uniform Division of Income for Tax Purposes Act.

Act 1286 of 2003 clarifies interest deductions and expenses.

Act 1287 of 2003 provides income tax credits for the production of biodiesel fuel.

Act 1296 of 2005 amends the Consolidated Incentives Act of 2003 to broaden the types of businesses and programs eligible for tax credits.

Act 1759 of 2005 amends the Arkansas Capital Development Company Act to extend the period for purchasing an equity interest resulting in a tax credit to 2015 and limits the amount of tax credits authorized annually to \$5,000,000, but DFA may authorize additional cumulative tax credits not to exceed \$1,250,000 per calendar year when specified state fiscal related requirements are met.

Act 2235 of 2005 requires private employers provide an unpaid leave of absence for employees for testing, donation and recovery from organ donation and provides an income tax credit for employers who provide paid leave for employees equal to 25% of the regular salary or wage paid to the employee while on leave of absence as required by this act.

Act 2247 of 2005 creates the Arkansas Rice Straw tax credit program to provide an income tax credit for end use purchases of rice straw up to 50%.

Act 990 of 2007 provides a limited income tax exemption for qualified wind mill manufacturers.

Act 351 of 2009 amends the Arkansas Private Wetlands and Riparian Zone Creation and Restoration Incentives Act to provide a conservation income tax credit up to \$50,000.

Act 498 of 2009 provides an income tax credit or a premium tax credit for the rehabilitation of historic structures in Arkansas.

Act 716 of 2009 repeals certain tax credits for biotechnology and advanced fuels; repeals the Emerging Technology Development Act 1999; amends the Consolidated Incentive Act of 2003.

Act 791 of 2011 amends the code to clarify the provisions concerning the salt water disposal system tax credits extend to natural gas producers.

Act 829 of 2011 amends the equity investment incentive tax credit defining when a purchase tax credit may be taken and to correctly state the governance of the tax credit.

Act 831 of 2011 extends the Arkansas Historic Rehabilitation Historic Rehabilitation Income Tax Credit Act through December 31, 2021.

Act 1166 of 2011 establishes the central business improvement district rehabilitation and development investment tax credit, for qualifying projects over \$30,000, against the tax imposed by the Income Tax Act of 1929.

Act 1418 of 2013 creates an exemption for qualified drop-in biofuels manufacturers.

### **History:**

The Corporation Income Tax was enacted by Act 118 of 1929 and imposed the following rate:

Two percent (2%) of the entire net income.

Act 129 of 1941 repealed the rate imposed by Act 118 of 1929 and established the following rate for both domestic and foreign corporations:

1. On the first \$3,000 of net income ----- 1%
2. On the second \$3,000 of net income ----- 2%
3. On the next \$5,000 of net income ----- 3%
4. On the next \$14,000 of net income ----- 4%
5. On all net income in excess of \$25,000----- 5%

The above rates remained in effect until the enactment of Act 392 of 1969 which established the following rates:

1. On the first \$3,000 of net income ----- 1%
2. On the second \$3,000 of net income ----- 2%
3. On the next \$5,000 of net income ----- 3%
4. On the next \$14,000 of net income ----- 5%
5. On all net income in excess of \$25,000----- 6%

Act 502 of 1987 authorized a Tax Penalty Amnesty period from September 1, 1987 to November 30, 1987 for all taxes collected by the Revenue Department.

Act 1040 of 1987 requires churches to pay income tax on income derived from "Business Activities".

Act 1052 of 1991 increases the corporate income tax rate from 6% to a flat 6.5% on corporations with net income in excess of \$100,000. The 6.5% applies to all net income if income is over \$100,000. Proceeds from the additional tax are deposited as special revenues in the Work Force 2000 Fund.

Act 621 of 1993 provides for a \$50 penalty for failure to file a corporate income tax return or notify the Director of the Department of Finance and Administration that a return is no longer required.

Act 1205 of 1993 requires that taxes be withheld from wages of agricultural workers.

Act 951 of 1997 readopts a number Internal Revenue Code status as of 1/1/97 in order to have Arkansas income tax credits and deductions mirror federal law.

Act 1050 of 1999 amends the Water Resources Conservation and Development Incentives Act, expanding the definition of conversion projects eligible for income tax credit to include the installation of water meters.

Act 1126 of 1999 amends various state income tax provisions to adopt recent changes to the internal revenue code.

Act 1132 of 1999 payroll requires service providers with at least 100 Arkansas customers to remit withholding tax by electronic fund transfer beginning January 2001.

Act 1315 of 1999 provides a change in the methodology of determining the distribution of corporate income tax revenue to the Workforce 2000 Development Fund.

Act 413 of 2001 the Division of Child Care and Childhood Education shall provide a list of all certified child care facilities to DF&A for income tax credit purposes.

Act 899 of 2001 amends the Arkansas Tourism Development Act to add a definition of high unemployment, remove the requirement that twenty-five percent of visitors be from out of state and clarify income tax credits in high unemployment counties.

Act 900 of 2001 defines cost as incurring after certification by ADED for eligibility, to extend the carry-forward of income tax credits earned from nine to fourteen years by biotechnology or advanced biofuels companies; addresses the payback of credits if company closes.

Act 1227 of 2001 clarifies that consolidated corporate income tax return contribution deductions be calculated separately.

Act 1228 of 2001 clarifies taxpayers who are taxable in another state for purposes of allocation and apportionment.

Act 965 of 2003 creates consistency with federal laws concerning taxation by limited liability corporations.

Act 38, First Extraordinary Session of 2003 added a 3% income tax surcharge on the tax liability of resident and nonresident individuals, as well as domestic and foreign corporations. In addition, the tax surcharge is applicable to residents of exemption-qualifying border cities. The tax surcharge is effective for tax years beginning in calendar years 2003 and 2004.

Act 63 of 2005 repeals the income tax surcharge beginning with tax year 2005.

Act 261 of 2005 requires corporations to elect Subchapter S treatment for federal income tax purposes before electing Subchapter S for Arkansas Income Tax purposes.

Act 1982 of 2005 provides for withholding of income tax by pass through entities on nonresident tax payers.

Act 2235 of 2005 requires private employers provide an unpaid leave of absence for employees for testing, donation and recovery from organ donation and provides an income tax credit for employers who provide paid leave for employees equal to 25% of the regular salary or wage paid to the employee while on leave of absence as required by this act.

Act 218 of 2007 makes technical corrections to the income tax laws by adopting current internal revenue code provisions.

Act 369 of 2007 allows an extension of time (180 days) to file tax returns and conform certain tax filing dates with the federal corresponding filing date.

Act 380 of 2007 requires subchapter S corporations attach a copy of their federal tax return to their state tax return.

Act 437 of 2007 allows the Department of Economic Development to obtain information related to economic development incentives from Department of Finance and Administration.

Act 518 of 2007 creates an income tax credit for geotourism in the lower Mississippi river delta.

Act 566 of 2007 establishes an equity investment incentive program by granting income tax credits administered by the Department of Economic Development.

Act 613 of 2007 increases the amount for expensing certain depreciable business assets to the amount currently allowed by the Internal Revenue Service.

Act 1596 of 2007 amends the Consolidated Incentives Act to adopt to a changing economy.

Act 272 of 2009 amends the Arkansas Tax Procedures Act to allow disclosure to Chapter 13 bankruptcy trustees of whether or not a taxpayer has filed a state tax return.

Act 372 of 2009 makes technical corrections to the Arkansas Income Tax law by adopting current Internal Revenue Code provisions.

Act 373 of 2009 clarifies the time limitations and issues involved in a correction of income received from the Internal Revenue Service.

Act 504 of 2009 amends the Arkansas Tax Procedures Act and Department of Workforce Services laws to allow information to be shared among agencies.

Act 755 of 2009 changes the standard of proof concerning claims for exemptions, deductions, credits and set the standard for review on appeal.

Act 1192 of 2009 amends the delta geotourism incentive act by including a greater portion of the lower Mississippi river delta.

Act 1500 of 2009 provides a one-time income tax credit on businesses with less than 50 employees to purchase a cigarette receptacle. The amount of the tax credit is 20% of the purchase price of the receptacle and can be carried forward for three consecutive years following the year the credit is earned.

Act 738 of 2011 extends the expiration date of the Geotourism Incentive Act of 2007 and to increase the maximum geotourism income tax credit.

Act 787 of 2011 makes technical corrections to Arkansas Income Tax laws.

Act 789 of 2011 allows Department Finance and Administration to offset any tax refund due for any tax collected by DFA against a debt for any tax administered by DFA.

Act 831 of 2011 extends the Arkansas Historic Rehabilitation Income Tax Credit Act through December 31, 2021.

Act 1047 of 2011 establishes criteria for a prospective employer planning an economic development project using an amendment 82 agreement.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$226,186,821	3.53
2004	\$238,135,145	5.28
2005	\$298,810,305	25.48
2006	\$378,239,666	26.58
2007	\$390,678,845	3.29
2008	\$354,044,306	(9.38)
2009	\$382,643,608	8.08
2010	\$423,639,445	10.71
2011	\$391,613,328	(7.56)
2012	\$435,265,936	11.15
2013	\$431,124,391	(0.95)
2014	\$440,208,681	2.11

**Revenues Generated – Work Force 2000 Fund:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 11,992,786	(12.47)
2004	\$ 12,398,699	3.38
2005	\$ 13,169,755	6.22
2006	\$ 18,801,758	42.76
2007	\$ 24,985,857	32.89
2008	\$ 24,610,215	(1.50)
2009	\$ 23,223,461	(5.64)
2010	\$ 23,473,353	1.08
2011	\$ 26,127,716	11.31
2012	\$ 25,552,077	(2.20)
2013	\$ 27,396,850	7.22
2014	\$ 27,314,878	(0.30)

**Distribution of Tax:**

General Revenues; Special Revenues are monies generated from the increase in the Corporate Tax Rate and are credited to the Workforce 2000 Fund. Beginning in 2000, the amount is 6.78% of the previous year's collections.

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 26-51-205

## 2.2. INDIVIDUAL INCOME TAX

A tax is imposed upon and with respect to the entire income of every resident, individual, trust or estate and paid annually upon such entire net income by the taxpayer to the State.

### Rate and Base:

On the first \$4,099 of net income or any part thereof, nine-tenths percent (0.9%); on the next \$4,100 of net income or any part thereof, two and one-half percent (2.5%); on the next \$4,000 of net income or any part thereof, three and one-half percent (3.5%); on the next \$8,200 of net income or any part thereof, four and one-half percent (4.5%); on the next \$13,600 of net income or any part thereof, six percent (6%); on net income of \$34,000 and above, seven percent (7%).

### Exemptions:

1. Proceeds of life insurance policies.
2. Return of premiums paid on life insurance, endowment or annuity contracts.
3. Interest on obligations of U.S. or State of Arkansas.
4. Income received through accident or health insurance or Workmen's Compensation.
5. Expenses paid in carrying on any trade or business.
6. Interest paid on indebtedness. (Phased out)
7. Losses arising from fires, storms, shipwrecks or other casualty and theft.
8. Gain resulting when property is destroyed and property is acquired to replace lost property.
9. Gain resulting from sale of residence if another residence is acquired within a period of two years.
10. Social Security payments, Railroad Retirement benefits, Unemployment Compensation benefits.
11. Annuities received by federal, state, municipal, county, school districts up to a maximum of \$9,000.
12. The first \$9,000 of pay of all military personnel or the first \$9,000 of retirement pay for an aggregate of \$9000.
13. All of disability benefits received by disabled veterans.
14. The income received by residents of a city that borders on a city in an adjoining state in which the state does not levy a state income tax.
15. Contributions to I.R.A. - \$2,000/\$4,000; Keogh Plan - \$15,000 or 15% of income, whichever is less. (Changed to follow Federal)
16. Rental value of a home or rental allowance paid to a minister.

Act 785 of 1983 provides a tax credit of \$100 for an individual manufacturing enterprise as an incentive for each new job created which did not previously exist in the enterprise during the taxable year for which the credit allowed by Act 785 is claimed.

Acts 813 and 740 of 1983 create "Enterprise Zones" in which qualifying businesses would be entitled to a \$2,000 income

tax credit per net new employee for the taxable year in which the increase in average annual employment occurred.

Act 379 of 1983, the "Technical Correction Tax Act of 1983", made technical amendments to the Income Tax Act of 1929, Act 118 of 1929, to make the Arkansas Income Tax statutes conform to recent amendments in the Federal Income Tax statutes by adopting the Federal statutes on alimony, medical expenses, casualty losses, capital gains on sale of property used as principal residence, charitable contributions, individual retirement plans and dependent care credits.

Act 410 of 1985 provides various preferential tax treatment for capital development corporations and for persons purchasing stock in such corporations.

Act 417 of 1985 provides income tax credit for water resource conservation and a credit for switching from ground water to surface water for irrigation.

Acts 469 & 759 of 1985 provide income tax credit for donation or sale below cost of new machinery or equipment to educational institutions.

Act 486 of 1985 exempts the first \$6,000 of retirement benefits received after December 31, 1984. Those retirement benefits that are totally exempt from State Income Tax will continue to be totally exempt until 12-31-89.

Act 848 of 1985 provides a phase-in of capital gains exclusion. Beginning in calendar year 1987, 10%; 1988, 30%; after 12-31-88, 60%.

Acts 24 and 30 of the 1st Extraordinary Session of 1985 provide a credit of 33% for contributions made to public and private colleges and universities. The credit is limited to \$100 single or \$200 joint filers.

Act 26 of the 1st Extraordinary Session of 1985 amended Act 417 of 1985 by limiting the credit to 50% and provided a minimum size of 20 acre-feet on qualifying water impoundments. Act 35 of 1987 postpones until 1989 the phase-in exclusion of capital gains.

Act 35 of 1987 postpones until 1989 the phase-in exclusion of capital gains.

Act 382 of 1987 adopts several provisions of the new Federal Income Tax Law and eliminates many of the differences previously existing in the Arkansas Income Tax Law, and increases the personal tax credits for dependents and taxpayer to \$20. The provisions are effective for income years 1987 and thereafter.

Act 521 of 1987 allows military retirees to receive a military retirement exclusion in addition to a state retirement exclusion for residents who received such benefits prior to January 1, 1985.

Act 536 of 1987 repeals the income tax withholding provision on State consultant contracts.

Act 899 of 1987 requires the withholding of 7% for Income Tax purposes from dog and horse racing winnings. The "winnings" must be on a single wager and be more than \$1,000 or at least 300 times as large as the amount wagered.

Act 512 of 1989 extends from December 31, 1989 to July 1, 1990 the deadline for retiring under the Teacher Retirement System in order to receive full tax exemption on retirement benefits.

Act 615 of 1989 provides that net operating loss which results from farming operations and were not fully used may be carried forward an additional two years.

Act 660 of 1989 provides various preferential tax treatment for County Industrial Development Corporations and for persons purchasing stock in such corporations.

Act 771 of 1989 establishes the Arkansas Educational Excellence Program and provides a voluntary check-off to fund the program.

Act 826 of 1989, the “Arkansas Income Tax Technical Revenue Act of 1989,” adopted various federal income tax provisions dealing with foreign income exclusion, charitable contributions, moving expenses, and other federal income tax provisions. This Act increased the estimated tax threshold to \$250.

Act 854 of 1989 amended Act 462 of 1989 to provide that those Enterprise Zone businesses that qualified under Act 813 of 1983 may continue to receive the Enterprise Zone tax benefits until June 30, 1991, but not afterwards.

Act 910 of 1989 provides a special installment deferral of up to 15 years for the payment of Arkansas Estate Tax for certain qualifying businesses.

Act 933 of 1989 provides for the implementation of preferential tax treatment for capital gains beginning in calendar year 1991. This Act also contains a provision that would implement the special capital gains treatment prior to 1991 if such a law is enacted by Congress.

Act 27 of the 3rd Extraordinary Session of 1989 provides for a \$6,000 income tax exemption for the residents on retirement and disability income and repeals the total exemption of retirement income for Arkansas public employees and teachers. It provides that any individual over 65 years of age who does not claim the retirement income exemption is entitled to a \$20 tax credit. Persons receiving military retirement pay are entitled to only one \$6,000 exemption.

Act 172 of 1991 provides that taxpayers may contribute a portion of their income tax refund to the Home Delivered Meal Fund Program for the elderly.

Act 386 of 1991 adopts sections 112 and 692 of the Internal Revenue Code regarding combat pay of members of the Armed Forces and income tax of members of the Armed Forces on death.

Act 685 of 1991 adopts various changes in the Federal Internal Revenue Code which were in effect as of January 1, 1991 for state income tax purposes.

Act 687 of 1991 provides that a taxpayer must recognize a gain or loss when the exchange of property involves the transfer of securities for property.

Act 707 of 1991 provides an income exemption for royalties received by in-state inventors.

Act 708 of 1991 provides a deduction of \$500 for individuals who maintain and care for a totally and permanently disabled child in their home.

Act 815 of 1991 reduces the penalty for failure to file from 5% to 1%.

Act 882 of 1991 provides for a maximum capital gains tax rate of 6% for individuals and S corporations and repeals the capital gains deduction.

Act 471 of 1993 creates an income tax check-off program for contributions to the United States Olympic Committee.

Act 721 of 1993 provides an income tax credit for shareholders of “S” Corporations for taxes paid in states that do not recognize “S” Corporations.

Act 785 of 1993 amends various sections of the code pertaining to individual income tax.

Act 942 of 1993 requires that taxpayers claiming an income tax credit on the cost of construction or restoration of water compounds or the cost of abandoning or reducing the extraction of groundwater are assessed a fee of 3% of the total credit not to exceed \$150. The fee is payable to the Soil and Water Conservation Commission.

Act 341 of 1995 allows an income tax credit up to \$9,000/year and deductions for constructing various water resource projects approved by the Soil and Water Commission.

Act 363 of 1995 amends the County and Regional Industrial Development Act, to extend the time for taking an income tax credit for purchase of common stock in a qualified corporation.

Act 535 of 1995 allows a credit for adoption expense. The maximum credit is \$800 per household per year.

Act 560 of 1995 adopts IRC sections 126 and 175, which relate to exclusions and deductions for soil and water conservation programs.

Act 561 of 1995 allows an income tax credit (\$5,000/yr. max.) for cost of projects to restore wetlands and riparian zones. Projects must be approved by the Soil and Water Commission.

Act 617 of 1995 authorizes counties to issue tax exempt bonds for water work facilities.

Act 732 of 1995 exempts from gross income all life insurance proceeds, regardless of the identity of the beneficiary.

Act 916 of 1995 provides for the imposition of a 10% individual income surcharge on the individual’s tax liability if the school district in which the individual resides fails to levy at least a 25 mill property tax.

Act 1044 of 1995 amends the County & Regional Industrial Development Act to extend to tax years 1996 through 1999, the time in which to take an income tax credit for purchasing common stock in a qualified corporation.

Act 1160 of 1995 readopts and adopts various IRC sections for Arkansas income tax purposes.



Act 1224 of 1995 provides that upon the approval of the voters, the Soil and Water Commission or ADFA is authorized to issue general obligation bonds which are tax exempt.

Act 1303 of 1995 (Long Term Intergenerational Security Act of 1995). Provides that an individual may contribute up to \$4,000 per year to such account. State tax on interest, dividends and capital gains are deferred until distribution.

Initiated Act 1 provides an Individual Income Tax credit for contributions to the state political candidates and candidates for positions in subdivisions of the state. The credit is limited to \$50 per person or \$100 per tax return.

Act 590 of 1997 authorizes the organization of Red Imported Fire Ant Abatement Districts. These districts are permitted to issue bonds, the interest on the bonds is exempt from income tax and estate tax.

Act 607 of 1997 authorizes the Soil and Water Commission to issue up to \$300 million in general obligation bonds. Interest from the bonds is exempt from income tax.

Act 883 of 1997 provides an income tax deduction for net capital gains recognized from the sale of certain stock in a qualified small business. The deduction is available if:

1. Stock is issued after 12/31/98.
2. The business is a domestic corporation with total capitalization of less than \$100 million and with less than 10% of its assets held in real estate.
3. The stock must be held at least 5 years. Stocks held for 5 years creates a 50% deduction with the deduction increasing to 100% for stock held for 10 years.

Act 1075 of 1997 provides for a deduction from adjusted gross income of up to 50% of the college tuition paid during the taxable year. The deduction is limited to the lesser of 50% of actual tuition paid or 50% of a "weighted tuition average" which is calculated using actual tuition rates and student enrollment in Arkansas High Education institutions. The weighted tuition is calculated for each group of Arkansas 4-year schools, 2-year schools, and technical institutes.

Act 1309 of 1997 establishes the Arkansas Tax-Deferred Tuition Savings Program in accordance with Internal Revenue Code Section 529. An individual taxpayer may make contributions to an account administered by the Arkansas Teachers' Retirement System. The contributions, earnings and distributions are excluded from income of the contributor and the beneficiary of the account.

Act 1331 of 1997 allows an income tax credit for investors in the construction or rehabilitation of "affordable housing." Proposals for such projects are to be approved by Arkansas Development Finance Authority. The credit is equal to 30% of the total investment and may be carried forward for 5 years. The total amount of tax credit available for any tax year is limited to \$750,000 per calendar year.

Act 1332 of 1997 allows an income or premium tax credit equal to 20% of the Federal Low Income Housing Tax Credit. A housing project is to be certified by the Arkansas Development Finance Authority. Unused credits may be

carried forward for 5 years. The total amount of tax credits available for any tax year is limited to \$250,000 per calendar year.

Act 1345 of 1997 allows a deduction from income for contributions made to a long-term intergenerational trust. Contributions are limited to \$4,000 per year. The beneficiary may receive distributions beginning at age 55. All distributions (principal and interest) are taxed to the beneficiary.

Acts 144 and 513 of 1999 adopt federal law concerning Roth and Education IRAs. Contributions to a Roth IRA are not excluded from income but distributions and accumulated earnings are exempt from income tax if the funds are held for at least five years and distributions are made after age 59 ½. Each taxpayer may contribute up to \$2,000 annually subject to phase out based on income limitations – Joint filers - \$150,000 – \$160,000 AGI; Single filers - \$95,000 – 110,000. Converting a traditional IRA to a Roth results in taxable income; however, if the roll over occurred before 1999, the tax may be paid over four years. Act 513 also provides that joint filers with AGI of less than \$150,000 may contribute up to \$500 yearly to an account for the benefit of a minor. The contribution is not deductible but the distribution of earnings is not taxed if used for the minor's post-secondary education expense.

Act 765 of 1999 amends the Water Resource Conservation and Development Incentives Act by increasing the annual income tax credit for surface water conversion in critical areas to \$200,000 for projects using water for industrial or commercial purposes. The act increases the total amount of tax credits available under the Act to \$10,000,000 in any calendar year and provides that the tax credit shall expire in the year following the year in which the total tax credits exceed \$10,000,000.

Act 817 of 1999 extends the \$6,000 exemption of benefits from an employer-sponsored retirement plan to include distributions from an individual retirement account (IRA).

Act 900 of 1999 provides that for claims filed during 2000, the \$100 refund will be available to households with incomes of less than \$25,000. The maximum income is now \$16,000. For claims filed during 2001 and later, the maximum income limits have been raised (from \$16,000 to \$30,000) and the maximum credit has been raised (from \$300 to \$325). These changes will not be effective for claims filed after 2001 if a constitutional amendment that provides other property tax relief is approved in November 2000.

Act 940 of 1999 extends the personal property tax refund to totally and permanently disabled veterans and to a person who is disabled as defined under federal Social Security provisions. This change will become effective for claims filed in 2000.

Act 996 of 1999 establishes the Arkansas Tax-Deferred Tuition Savings Program Act of 1999 to be administered by the Teacher Retirement System. Savings accounts may be established for a beneficiary. Contributions to the account are not excluded from the contributor's income. Distributions to the beneficiary for educational uses are exempt from income

tax. Distributions to the beneficiary for non-educational uses are taxable.

Act 1005 of 1999 excludes from income 30% of capital gains with the remaining 70% being treated as “regular” income. The special 6% rate is repealed.

Act 1113 of 1999 allows an income tax credit of up to \$2,400 per year for a taxpayer with a dependent child diagnosed with PKU (phenylketonuria), a disorder that requires special food. The credit is based on food purchases. Unused credit may be carried forward for 2 years.

Act 1116 of 1999 adds the Employment Security Department to the list of agencies who may intercept state income tax refunds for debts to the department.

Act 1126 of 1999 adopts updated federal income tax provisions to conform state law to federal law; adopts some newly enacted federal income tax provisions; amends state tax procedure provisions to create similar tax treatment as provided by federal law such as innocent spouse protection, use of digital signatures, and suspension of limitation period for taxpayers with financial disability.

Act 1217 of 1999 (The Family Savings Initiative Act) creates a tax credit, limited to the lesser of \$25,000 or the tax due with a three-year carryover for 50% of contributions to a designated fiduciary organization for use as matching funds for "Individual Development Accounts". Taxpayers receive certification from the Dept. of Human Services. Calendar year credits certified cannot exceed \$100,000.

Act 1347 of 1999 (Arkansas Public Roads Improvements Credit Act) creates a tax credit, limited to 50% of the tax liability with a three-year carryover, for 33% of contributions to the Public Roads Incentive Fund for projects.

Act 1446 of 1999 permits the taxpayer to make political contributions up to May 15 and still claim the credit on the earlier year’s return.

Act 361 of 2001 permits widowed spouses of disabled veterans to be eligible for the homestead and personal property tax exemption upon becoming a widow again.

Act 773 of 2001 makes technical corrections to amend various state income tax provisions adopting recent changes in the Internal Revenue Service code such as inclusion in gross income and moving expense reimbursements and annuity income from employment related tax plans. The act creates a pilot program permitting eligible senior citizens to establish Medicare plus choice medical savings accounts, allows deductions of cost paid to improve access to facilities and vehicles for elderly and handicapped people, and the exclusion from gross income of gains from the involuntary conversion of taxpayer's property.

Act 982 of 2001 exempts the bonds and interest from all taxation, state, county and municipal, including income and inheritance taxation, associated with the financing of consolidated waterworks systems.

Act 1661 of 2001 amends the Manufacturer Investment Tax Credit to allow income tax credits for paper manufacturers investing at least one hundred million in our approval plant improvement projects.

Act 1791 of 2001 creates income tax credits up to ten million dollars annually to a designated venture capital investor group selected by the Arkansas Development Finance Authority.

Act 1819 of 2001 adjusts the personal income tax credit based upon the inflation rate after two economic triggers have been met.

Act 336 of 2003 adopts current IRS code provisions for deductions of contributions to medical savings accounts.

Act 662 of 2003 clarifies credit available for income tax paid to another state.

Act 663 of 2003 exempts beneficiary's income from tax deferred tuition savings program established by another state under 26 USC§529 from state income tax.

Act 857 of 2003 revises definitions associated with the computation of capital gains and losses.

Act 860 of 2003 establishes an income tax credit for a person purchasing an equity interest in a capital development company in calendar years 2003 through 2013.

Act 997 of 2003 clarifies that married taxpayers must both elect to use the standard deduction or both claim itemized deductions.

Act 1183 of 2003 clarifies allocation and apportionment of taxable income pursuant to the Uniform Division of Income for Tax Purposes Act.

Act 1440 of 2003 provides tax credits for parents of infants with catastrophic metabolic disorders.

Act 29 of 2005 adopts federal IRS code provisions to exempt combat zone compensation of members of the armed services from state income tax.

Act 2187 of 2005 increases the state income tax exemption for enlisted armed service members to \$9000 annually.

Act 10, First Extraordinary Session of 2005 revised the income tax credit refund by allowing bio-diesel mixtures exceeding 2% per gallon shall be limited to 2% of the total gallons of bio-diesel mixture.

Act 160 of 2007 allows military officers of the armed services to receive the same income tax exemption as enlisted personnel of the armed services.

Act 498 of 2009 provides an income tax credit or a premium tax credit for the rehabilitation of historic structures in Arkansas.

Act 1192 of 2009 amends the delta geotourism incentive act by including a greater portion of the lower Mississippi river delta.

Act 736 of 2011 to provide additional income tax relief to head of household taxpayers with two or more dependents.

Act 829 of 2011 amends the equity investment incentive tax credit defining when a purchase tax credit may be taken and to correctly state the governance of the tax credit.

Act 1408 of 2013 exempts service pay or allowance received by Active duty, National Guard, and Reserve unit armed forces from income tax.

Act 1452 of 2013 provides a deduction of up to \$1,000 to volunteer firefighters for purchases of required equipment and for property lost in the course of duty.

Act 1488 of 2013 increases the standard deduction to \$2,200, and the exemption on capital gains to 50%.

### **History:**

The individual income tax was enacted by Act 118 of 1929 and imposed the following rates:

On the first \$3,000 of net income or any part thereof, one percent (1%). On the second \$3,000 of net income or any part thereof, two percent (2%). On the next \$5,000 of net income or any part thereof, three percent (3%). On the next \$14,000 of net income or any part thereof, four percent (4%). On all net income in excess of \$25,000, five percent (5%).

Act 118 provided that there shall be deducted from the net income the following exemptions:

1. In the case of a single individual, a personal exemption of \$1,500;
2. In the case of a married individual, a personal exemption of \$2,500;
3. Four hundred dollars (\$400) for each individual (other than husband and wife) dependent upon and receiving his chief support from the taxpayer.

Act 135 of 1947 increased the exemptions to \$2,500 for a single individual and to \$3,500 for a married individual, but reduced the deduction for federal income taxes to 50 percent.

Act 234 of 1949 repealed the deduction for federal income taxes.

Act 124 of 1951 provides that, in lieu of itemizing deductions, the taxpayer may elect to use the Standard Deduction, which shall be computed in the following manner:

1. If his gross income is \$5,000 or more, the standard deduction shall be \$1,000, or an amount equal to 10% of the gross income, whichever is the lesser, except in the case of a separate return by a married individual, the standard deduction shall be \$500; and
2. if his gross income is less than \$5,000, the standard deduction shall be an amount equal to 10% of the gross income.

Act 20 of 1957 amended the Income Tax Act of 1929 in such manner as to allow the following tax credits in lieu of personal exemptions:

1. For a single individual, \$17.50;
2. For a married individual, \$35.00; and
3. For each dependent, \$6.00

A major change in the individual income tax was established by Act 132 of 1965 which required with-holding of state income taxes and the filing of a declaration of estimated tax for certain taxpayers.

Act 221 of 1971 raised the individual income tax rates for the first time since the original Income Tax Act was enacted in 1929 as follows:

1. On the first \$2,999 of net income .....1%
2. On the next \$3,000 of net income .....2.5%
3. On the next \$3,000 of net income .....3.5%
4. On the next \$6,000 of net income .....4.5%
5. On the next \$10,000 of net income .....6%
6. On net income of \$25,000 and above .....7%

Act 502 of 1987 authorized a Tax Penalty Amnesty period from September 1, 1987 to November 30, 1987 for all taxes collected by the Revenue Department.

Act 95 of 1991 eliminates the income tax liability and filing requirements of certain low income individuals. It reduces the rate of tax under the reduced tax tables and adopts Internal Revenue Code sections to limit itemized deductions.

Act 688 of 1991 provides for a penalty of \$50 for failure to file a timely tax report after the taxpayer has been notified that he has failed to file the reports.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer. The requirement to remit by electronic fund transfer only applies to monthly withholding.

Act 943 of 1993 repeals the following income tax check-off contributions: Home Delivered Meal Program; War Memorial Stadium Improvement and Expansion Program; Non-game Preservation Program; Cancer Research Program; Literacy Program; Vocational Education Program; Higher Education Program; Elementary and Secondary Education Program; Non-Designated Educational Program.

Act 328 of 1997 provides for the following:

1. Increases the standard income tax deduction from \$1,000 to \$2,000 per taxpayer.
2. Amends the reduced income tax tables to provide that families under the Federal Poverty Level do not file and pay income tax.
3. Provides a credit of up to 4% of OASDI (Social Security) tax paid by a taxpayer.
4. Provides for indexing of "regular" income tax brackets using Consumer Price Index (CPI). Effective for tax year 1999, the brackets will be adjusted by increases in CPI up to 3%.
5. Increases child care credit from 10% to 20% of the Federal Credit. Excludes from income gain on the sale of

a primary residence if the taxpayer has resided in the home for 3 of the last 5 years.

6. Increases the Homestead Property Tax Refund Amounts and increased income limit.
7. If food becomes exempt from the state sales tax on or before November 15, 1998 then the above provisions will become void.

Act 951 of 1997 readopts a number of Internal Revenue Code statutes as of 1/1/97 in order to have Arkansas income tax credits and deductions mirror federal law.

Act 1040 of 1997 repeals the 10% income tax surcharge on individuals living in school districts which did not levy at least 25 mills for school operations. The income surcharge will apply only to tax year 1996.

Act 1181 of 1997 provides for an individual income tax return "check-off" for contributions to the Arkansas Disaster Relief Program.

Act 1280 of 1997 allows debts to technical institutes to be collected by capturing state income tax refunds.

Act 417 of 1999 changes current law that provides a \$500 income tax credit to a person who cares for a "mentally retarded" child, replacing the phrase "mentally retarded" with "individual with a diagnosis of developmental disability." In addition, under current law, a taxpayer is entitled to a deduction for the cost of caring for a totally and permanently disabled child and requires a physician's certification each year. This act removes the certification requirement.

Act 980 of 1999 permits farm cooperatives to make distributions to their members in accordance with federal law. This act does not adopt the particular federal Internal Revenue Code provisions needed to provide an exclusion from income for state tax purposes. Consequently, patronage distributions will be subject to state income tax.

Act 634 of 2001 readopts the medical savings account provision of the internal revenue service code.

Act 727 of 2001 broadens the allowance of tax credits to commercial projects associated with water conservation.

Act 218 of 2003 adopts certain sections of the Internal Revenue Code related to deferred compensation annuities, retirement savings and education IRAs.

Act 279 of 2003 provides for an individual income tax return "check off" referred to as The Baby Sharon Act.

Act 515 of 2003 amends the Arkansas Tax-Deferred Tuition Savings Program Act to adopt current Federal Internal Revenue Code changes.

Act 774 of 2003 changes due date of tax returns to due date for filing federal tax returns.

Act 826 of 2003 adds Employment Benefits Division of DFA as a claimant agency for collection of delinquent insurance premiums plus 10% interest.

Act 996 of 2003 allows members of the National Guard or Reserves ordered to active duty outside this state an additional 90 days after returning to the state to renew state

registrations, credentials or certificates; and to pay state taxes, fees, assessments or tuition without penalty.

Act 1017 of 2003 increases the threshold for employers to file an annual withholding tax return rather than a monthly return from \$200 to \$1000.

Act 1023 of 2003 allows a set off against a tax refund for any past due rent owed to a housing authority created under Chapter 169 of Title 14.

Act 1718 of 2003 clarifies the definition of a taxpayer, the time for claiming a refund of an overpaid tax and the procedure for repealing a tax assessment after payment.

Act 1724 of 2003 repeals the Federal Social Security Tax Credit, known as the working taxpayer credit (OASDI), associated with state individual income tax.

Act 1800 of 2003 adds county and district courts to the definition of a "claimant agency" which allows fines to be collected against state tax refunds.

Act 38, First Extraordinary Session of 2003 added a 3% income tax surcharge on the tax liability of resident and nonresident individuals, as well as domestic and foreign corporations. In addition, the tax surcharge is applicable to residents of exemption-qualifying border cities. The tax surcharge is effective for tax years beginning in calendar years 2003 and 2004.

Act 53 of 2005 provides an individual income tax charitable deduction for contribution to the Indian Ocean tsunami relief efforts for contribution made by January 31, 2005.

Act 63 of 2005 repeals the income tax surcharge beginning tax year 2005.

Act 94 of 2005 adopts federal income tax treatment of contributions to health savings accounts for tax years beginning January 1, 2004.

Act 189 of 2005 clarifies that cost recovery for annuitants is allowed under the Income Tax Act of 1929.

Act 277 of 2005 adds Office Personnel Management of DFA as a claimant agency for purposes of offsetting individual income tax refunds for repayment of debts to the office.

Act 675 of 2005 adopts various Internal Revenue Code Sections for the purpose of computing state income tax liability.

Act 668 of 2005 allows up to a \$10,000 deduction from individual income tax for organ donation.

Act 1028 of 2005 provides an individual income tax check-off program to fund the Military Family Relief Trust Fund.

Act 1309 of 2005 requires withholding of Arkansas income tax from deferred income.

Act 1821 of 2005 creates the Arkansas Area Agencies on Aging income tax check-off program benefiting the agencies effective January 1, 2005.

Act 1982 of 2005 provides for withholding of income tax by pass through entities on nonresident tax payers.

Act 1973 of 2005 provides contributions to Arkansas Tax Deferred Tuition Saving Program are deductible from Arkansas Income Taxes not to exceed \$5,000 per taxpayer annually.

Act 195 of 2007 provides income tax relief for low income taxpayers by raising the minimum income tax brackets.

Act 196 of 2007 allows tax free distributions from IRA plans for charitable purposes as adopted by the Internal Revenue Services.

Act 212 of 2007 provides additional time for taxpayers to request an administrative hearing and to clarify the time for requesting a review of administrative decisions.

Act 218 of 2007 makes technical corrections to the Arkansas Income tax laws by adopting current Internal Revenue Code provisions.

Act 369 of 2007 allows an extension of time (180) to file certain tax returns and conform certain tax filing dates with the corresponding federal filing date.

Act 518 of 2007 creates an income tax credit for geotourism in the lower Mississippi river delta.

Act 732 of 2007 levies an income tax of 3% on winnings paid by electronic games of skill.

Act 1607 of 2007 allows up to a 100% income tax credit with 9 year carry forward for donations to a college or university.

Act 211 of 2009 allows taxpayers to divert all or part of their state income tax refund to an Arkansas tax deferred tuition savings program account.

Act 237 of 2009 defines developmental disability in the Arkansas Income Tax law.

Act 238 of 2009 extends the time for a veteran to file a claim for refund of income taxes paid when a disability claim is pending but not determined.

Act 272 of 2009 amends the Arkansas Tax Procedures Act to allow disclosure to Chapter 13 bankruptcy trustees of whether or not a taxpayer has filed a state tax return.

Act 360 of 2009 provides for the closure of businesses that fail to report or remit state withholding taxes for three months during a twenty-four month period.

Act 372 of 2009 makes technical corrections to the Arkansas Income Tax Law by adopting current Internal Revenue Code provisions.

Act 373 of 2009 clarifies the time limitations and issues involved with a correction of income received from the Internal Revenue Service.

Act 713 of 2009 authorizes a set off against an Arkansas individual income tax refund for a tax debt owed by a Arkansas taxpayer to the Internal Revenue Service.

Act 755 of 2009 changes the standard of proof concerning claims for exemptions, deductions, credits and set the standard for review on appeal.

Act 724 of 2011 clarify the provisions concerning a setoff of debts from state income tax refunds by changing the length of delinquency.

Act 736 of 2011 to provide additional income tax relief to head of household taxpayers with two or more dependents.

Act 785 of 2011 allows delinquent taxes, penalty and interest owed to Department of Finance and Administration to be paid from the proceeds of tax delinquent land sales.

Act 787 of 2011 makes technical corrections to Arkansas Income Tax Laws.

Act 789 of 2011 allows Department of Finance and Administration to offset any tax refund due for any tax collected by DFA against a debt for any tax administered by DFA.

Act 815 of 2011 includes the Arkansas Department of Health within the definition of “claimant agencies” for the purpose of obtaining a setoff of state income tax refund for debts owed to state.

Act 831 of 2011 extends the Arkansas Historic Rehabilitation Income Tax Credit Act through December 31, 2021.

Act 160 of 2013 allows the Department of Finance and Administration to enter into an installment agreement with a taxpayer whose individual income tax debt is under \$2,000, if certain conditions are met.

Act 1254 of 2013 adopts recent changes to the Internal Revenue Code.

Act 1284 of 2013 adopts internal revenue code provisions concerning computation of income tax when a taxpayer restores a substantial amount held under a claim of right.

Act 1459 of 2013 changes the individual income tax brackets to the following:

Tax years beginning on or after January 1, 2012

On the first \$4,099 of net income.....	1%
On the next \$4,100 of net income.....	2.5%
On the next \$4,000 of net income.....	3.5%
On the next \$8,200 of net income.....	4.5%
On the next \$13,600 of net income.....	6%
On net income above \$34,000.....	7%

On or after January 1, 2014

On the first \$4,099 of net income.....	0.9%
<u>On or after January 1, 2015</u>	
On the next \$4,100 of net income.....	2.4%
On the next \$4,000 of net income.....	3.4%
On the next \$8,200 of net income.....	4.4%
On the next \$13,600 of net income.....	5.9%
On net income above \$34,000.....	6.9%

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 1,831,830,922	2.25
2004	\$ 1,972,772,088	7.69
2005	\$ 2,168,741,330	9.93
2006	\$ 2,357,301,515	8.69
2007	\$ 2,537,201,696	7.63
2008	\$ 2,764,163,560	8.95
2009	\$ 2,708,027,089	(2.03)
2010	\$ 2,580,698,478	(4.70)
2011	\$ 2,745,156,960	6.37
2012	\$ 2,897,871,663	5.56
2013	\$ 3,148,929,338	8.66
2014	\$ 3,115,231,532	(1.07)

**Distribution of Tax:**

General Revenues

**Administered by:**

Department of Finance and Administration -Revenue  
Services Division

**Cite:**

Arkansas Code (1987) 26-51-201

## Section 3 - Alcoholic Beverages

### Taxes and Fees

#### 3.1. ALCOHOLIC BEVERAGE CONTROL FINES

In addition to all other sanctions and penalties which may be imposed by the Director of the ABC Board, the Director has the power and authority to levy fines and suspend the same against controlled beverage permit holders when the Director determines the permit holder has violated the alcoholic beverage control laws of this State or regulations of the ABC Division.

##### Rate and Base:

1. Class A Permit Violations: \$500 to \$1,000
2. Class B Permit Violations: \$200 to \$ 500
3. Class C Permit Violations: \$100 to \$ 200

The following acts on the part of any permittee are Class A Permit Violations:

1. Failure to furnish access to premises by officer.
2. Failure to allow inspection of books or records.
3. Posting permit on unauthorized premises.
4. Manufacture or possession of controlled beverage with excess alcohol content.
5. Sale by manufacturer to other than wholesaler. Provided, that sales authorized by any law of this State relating to native wines shall not constitute a violation.
6. Sale by wholesaler to other than retailer.
7. Ownership or other interest in retail outlet by manufacturer or wholesaler. Provided, that such ownership or other interest authorized by any law of this State relating to native wines shall not be a violation.
8. Unauthorized gift or service to retailers by manufacturer or wholesaler.
9. Use of postdated checks for payment of controlled beverages and merchandise.
10. Wholesaler making delivery to consumer.

The following acts on the part of any permittee are Class B Permit Violations:

1. Pledge, hypothecation or use of permit as collateral.
2. Defacing, destroying or altering permit.
3. Transporting controlled beverages in violation of regulations or law.
4. Manufacturing, selling, offering, dispensing, or giving away, possessing, or transporting of controlled beverages upon which tax is not paid.
5. Failure to maintain proper records by manufacturer.
6. Failure by wholesaler to maintain proper records.
7. Failure by wholesaler to register new brands.

8. Giving of samples by permittee without authorization.
9. Sales for anything other than cash or check.
10. Delivery without invoice by wholesaler.
11. Negligently selling to minors.
12. Negligently selling to the insane.
13. Negligently selling to bootleggers.
14. Accepting food stamps in payment for controlled beverages.
15. Unauthorized employment of minors.

The following acts on the part of any permittee are Class C Permit Violations:

1. Sale of controlled beverages when permit not posted.
2. Failure to maintain health, safety and sanitary standards.
3. Removing or obliterating container label or mark.
4. Consuming controlled beverage while on duty.
5. Unauthorized manufacturing, selling, dispensing, or giving away of controlled beverages.
6. Unlawful manufacture or sale in dry area.
7. Failure to surrender permit when business has been voluntarily inoperative for over thirty (30) days.
8. Storing controlled beverages in unauthorized warehouses (each day to constitute a separate offense after notice).
9. Failure to make proper application and obtain approval for acting as sales agent for a manufacturer, wholesaler or rectifier unless duly authorized by the Director.
10. Use of unlabeled dispensing faucet.
11. Failure of retailer to keep and maintain records.
12. Unauthorized sale of broken packages and merchandise.
13. Negligently allowing prostitutes to frequent the premises.
14. Conducting or permitting gambling on premises.
15. Allowing immoral conduct on premises.
16. Disposing of or receiving samples by retailer.
17. Violation of legal closing hours.
18. Selling to an intoxicated person.
19. Negligently selling to the users of narcotics.
20. Delivery of controlled beverages by a retailer away from his permitted premises.
21. Sale of controlled beverages in container (of) size other than approved.
22. Sale of controlled beverage by vending machine.
23. Misrepresentation of brand, keeping beverages in unauthorized container, refilling, diluting or failure to destroy empty bottles.
24. Failure to maintain membership books or properly maintain guestbooks by private club.
25. Unauthorized guest in private club.
26. Dispensing to nonmembers and/or nonguests by a private club.

27. Unauthorized purchasing by private club from other than retailer.
28. Failure of private club to maintain financial records.
29. Failure by private club to furnish name and address of authorized public accountant and bookkeeper.
30. Unauthorized advertising by private club.
31. Unauthorized transportation of alcoholic beverages through dry area without a permit.
32. Failure to keep and maintain records or make report.

**Distribution of Tax:**

General Revenues

**Administered by:**

Director of the Alcoholic Beverage Control Board

**Cite:**

Arkansas Code (1987) 3-4-402; 3-3-216; 3-8-201; 3-9-102

**Exemptions:**

None

**History:**

The ABC Fines were authorized by Act 790 of 1981.

Act 296 of 1989 authorizes the director of the Alcoholic Beverage Control Division or the Board to levy additional fines up to double the amount for a second offense of the same violation and three times the fine for the same violation within a 12-month period.

Act 172 of 1993 increased certain alcoholic beverage control fines.

Act 1210 of 1997 increases the minimum fine for the criminal offense of purchasing or possessing intoxicating liquor by a minor from \$10 to \$100.

Act 305 of 1999 provides that 1) any violation of a local closing ordinance which is more restrictive than that provided by the state is punishable by a fine of \$100 to \$500, and that 2) the violation shall not be considered to be an administrative violation against the permit issued by the Alcoholic Beverage Control Division.

Act 666 of 2007 authorizes the direct assessment of liquor and wine excise taxes for persons who purchases untaxed liquor and wine.

Act 1300 of 2013 requires private clubs, that are not food service establishments, to post warning signs related to drinking alcoholic beverages during pregnancy, and allows for fines up to \$500 for violations.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 220,790	(9.65)
2004	\$ 264,860	19.96
2005	\$ 315,445	19.10
2006	\$ 300,380	(4.78)
2007	\$ 198,710	(33.85)
2008	\$ 203,865	2.59
2009	\$ 230,885	13.25
2010	\$ 228,050	(1.23)
2011	\$ 233,830	2.53
2012	\$ 238,800	2.13
2013	\$ 190,120	(20.39)
2014	\$ 180,400	(5.11)



## **3.2. ALCOHOLIC BEVERAGE CONTROL TRANSCRIPT FEES**

The ABC transcript fees are a charge for the transcript of record of proceedings held before the Director of the ABC Board, pertaining to an application for the manufacture, selling or dispensing of alcoholic beverages or from a hearing of a violation against a permit which is appealed to the ABC Board and where an appeal is taken from a decision of the ABC Board to a Circuit Court. The Director of the ABC Board collects the fees and deposits them in the State Treasury through the Revenue Department.

### **Rate and Base:**

1. \$1.50 per page (Original)
2. \$0.40 per page (Copies)

### **Exemptions:**

None

### **History:**

The transcript fees were authorized by Act 790 of 1981.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,852	79.81
2004	\$ 3,153	70.25
2005	\$ 2,355	(25.31)
2006	\$ 2,290	(2.76)
2007	\$ 2,152	(6.02)
2008	\$ 1,105	(48.65)
2009	\$ 3,792	243.17
2010	\$ 2,182	(42.46)
2011	\$ 395	(81.90)
2012	-0-	(100.00)
2013	-0-	
2014	-0-	

### **Distribution of Tax:**

General Revenues

### **Administered by:**

Director of the Alcoholic Beverage Control Board

### **Cite:**

Arkansas Code (1987) 3-2-217

### **3.3. BEER ENFORCEMENT TAX**

A consumers enforcement tax on beer which may be passed on by the retailer to the consumer or may be absorbed by the retailer is collected by the wholesaler and remitted to the Commissioner of Revenues for deposit in the State Treasury.

#### **Rate and Base:**

25¢ per 32-gallon barrel of beer

#### **Exemptions:**

None

#### **History:**

The consumers enforcement tax of 25¢ per 32-gallon barrel of beer was imposed by Act 271 of 1969 and was to be used for the support of the Alcoholic Beverage Control program in enforcement of the alcoholic beverage laws of this state. This tax is collected by the beer wholesaler from the retailer who may either pass on the tax to the consumer or may absorb the tax.

#### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 407,401	(0.55)
2004	\$ 410,535	0.77
2005	\$ 408,746	(0.44)
2006	\$ 420,433	2.86
2007	\$ 417,738	(0.64)
2008	\$ 429,283	2.76
2009	\$ 443,013	3.20
2010	\$ 417,276	(5.81)
2011	\$ 428,506	2.69
2012	\$ 422,656	(1.37)
2013	\$ 431,009	1.98
2014	\$ 421,398	(2.23)

#### **Distribution of Tax:**

General Revenues

#### **Administered by:**

Department of Finance and Administration - Revenue  
Services Division

#### **Cite:**

Arkansas Code (1987) 3-7-111(B)

### 3.4. BEER PERMITS

For the privilege of selling beer, a permit must be obtained from the Alcoholic Beverage Control Board and a fee paid for the permit from the wholesaler or retailer. The ABC Board transmits the monies for the permits to the Cashier's Office of the Revenue Services Division for deposit in the State Treasury.

#### Rate and Base:

1. Wholesale dealer, broker or distributor - \$250/per county.
2. Wholesale permit - \$250 per county served to a maximum of \$1,000.
3. Retail Permit - \$20 to \$40 depending upon annual gross sales.
4. Manufacturer - \$500
5. Transfer of permit - \$5 inspection fee
6. Retail Permit (picnic) - \$40 (by regulation)
7. Micro-Brewery Restaurant - \$750
8. Beer Festival Permit - \$50 per event

#### Exemptions:

Beer sold to agencies of the armed forces of the United States

#### History:

Act 7 of the 1st Extraordinary Session of 1933 was approved on August 24, 1933, shortly before the ratification of the 21st amendment to the U.S. Constitution, which repealed the 18th Amendment. Act 7 authorized manufacture, sale and distribution within the State of Arkansas of light wines and beer. Act 7 defined beer to mean fermented liquor made from malt or any substitute and having an alcoholic content of not in excess of 3.2% by weight and established the following permit fees:

1. Wholesaler - \$50 for each county served up to a maximum of \$250
2. Manufacturer - \$500
3. Retailer - \$10 to \$20 depending on sales.

Act 372 of 1953 increased the retail permit to its present amount.

Act 617 of 1989 authorized Post Exchange Permits, which allows for the retail sale of alcoholic beverages for off-premise consumption on property under the control of the Military Department of Arkansas. The annual fee for a Post Exchange Permit is \$100.

Act 611 of 1991 establishes the microbrewery-restaurant license. The microbreweries are liable for all applicable state excise taxes and fees. They are limited to selling at the microbrewery-restaurant only.

Act 528 of 1993 provides for a permit fee of \$250 for each county in which a broker, distributor, or wholesale dealer operates. The tax shall not exceed \$1,000.

Act 491 of 1995 provides that a microbrewery-restaurant licensee pay a \$750 annual license fee.

Act 537 of 1995 establishes the procedures for issuance of non-resident permits. Permit fees range from \$100 to \$1,000, based on amount shipped into state.

Act 1065 of 1999 authorizes a Beer Festival Permit linked to a three-day event, an area that allows alcohol sales, a "secure area", and Sunday sales only where allowed. Participation by non-licensed participants requires an Arkansas licensed distributor to temporarily warehouse, and collect a \$7.507808 per barrel tax on, non-licensed products.

Act 455 of 2007 allows wine, beer and spirits tasting events under a retail liquor permit and shall not be exempt from the gross receipts and use taxes.

Act 1459 of 2009 creates a new category of beer license, a sales and use tax permit, as well as a small brewery whole-sale permit is required.

#### Revenues Generated:

Fiscal Year	Amount	%Change
Ending June 30		
2003	\$ 613,305	3.03
2004	\$ 604,265	(1.47)
2005	\$ 595,055	(1.52)
2006	\$ 534,990	(10.09)
2007	\$ 606,995	13.46
2008	\$ 622,102	2.49
2009	\$ 556,000	(10.63)
2010	\$ 908,017	63.31
2011	\$1,141,498	25.71
2012	\$1,113,160	(2.48)
2013	\$1,262,575	13.42
2014	\$1,165,235	(7.71)

#### Distribution of Tax:

General Revenues

#### Administered by:

Alcoholic Beverage Control Board

#### Cite:

Arkansas Code (1987) 3-5-205; 3-5-104

### 3.5. BEER TAX

The Beer Tax is levied at the wholesale level which is passed on to the retailer. The wholesaler remits the tax to the Commissioner of Revenues, who deposits the money in the State Treasury.

#### Rate and Base:

\$7.50 per barrel of 32 gallons having an alcoholic content of 5% or less

#### Exemptions:

Beer sold to agencies of the armed forces of the United States

#### History:

The 21st Amendment to the Constitution of the United States repealed the 18th Amendment of the U.S. Constitution (ratified by the States effective on January 29, 1919), which had prohibited the manufacture, sale or transport of intoxicating liquors for beverage purposes within the United States and all territories thereof. Amendment 21 was declared ratified by Conventions in the States on the 5th day of December, 1933. Section 2 of Amendment 21, however, provided that:

“The transportation or importation into any state, territory or possession of the United States, for delivery of use therein of intoxicating liquors, in violation of laws thereof, is hereby prohibited.”

Thus, Amendment 21 left it up to each state to determine whether it would be lawful to transport or import intoxicating liquors for delivery or use therein.

Act 7 of the 1st Extraordinary Session of 1933 (approved on August 24, 1933) authorized the manufacture, sale and distribution within the State of Arkansas of light wines and beer. Act 7 defined “beer” to mean any fermented liquor made from malt or any substitute therefore and having an alcoholic content of not in excess of 3.2 percent by weight.

Section 3 of Act 7 levied a tax at the rate of One Dollar for 32 gallons (and proportionately for large or smaller quantities) for the privilege of receiving, handling, possessing, manufacturing and/or selling light wines and/or beer under said Act. In addition to such gallonage tax, special taxes were levied for the issuance of permits to wholesale dealers, brokers, distributors, manufacturers, and retailers of non-intoxicating liquor as defined in Act 7.

In brief, Act 7 of the First Extraordinary Session of 1933 (approved on August 24, 1933) was passed shortly before the ratification of the 21st Amendment, but authorized the lawful manufacture and sale of only non-intoxicating beer and light wine (having an alcoholic content of not in excess of 3.2 percent by weight).

Act 108 defined the word “spirituous” to mean liquor distilled from the fermented juices of grain, fruits or vegetables and containing more than 21 percent alcohol by weight, or any other liquids containing more than 21 percent alcohol by weight.

The word “vinous” was defined to mean the fermented juices of fruits, except wine, and containing more than five percent and not more than 21 percent alcohol by weight. The exclusion of wine from this definition was apparently intended to exclude “native wine” from the provisions of Act 108.

The word “malt” was defined in Act 108 to mean liquor brewed from the fermented juice of grain and containing more than five percent alcohol by weight.

Act 108 excluded from the definition of “malt liquors” beer containing not more than five percent alcohol by weight, and all other malt beverages containing not more than five percent alcohol by weight and also provided that such beer and other malt beverages were exempted from the provisions of Act 108.

The second paragraph of Section 6 of Act 108 contains the following language.

“It is further provided that malt and vinous beverages containing more than 3.2 percent alcohol by weight and not more than 5 percent of alcohol by weight shall be taxed and regulated as provided for malt and vinous beverages containing not more than 3.2 percent alcohol by weight under the provisions of Act No. 7 of the Acts of the Extraordinary Session of the General Assembly of 1933, approved August 24, 1933.”

Act 109 of 1935 provided for the levy of gallonage taxes, in addition to other permit fees and taxes, on distilled spirits, as follows:

1. Spirituous Liquor..... \$0.40 per gallon;
2. Vinous Liquor (except native wine) ... \$0.10 per gallon;
3. Malt Liquor (does not include beer) ... \$0.03 on each gallon.

Act 109 did not specifically levy a tax on beer. However, Section 6 of Act 108 of 1935 provided that beer and malt liquor having in excess of 3.2 percent alcoholic content and not more than 5 percent alcoholic content, would be taxed at the same rate of tax provided under Act 7 of the 1933 Extraordinary Session (One Dollar per barrel of 32 gallons).

Act 108 of 1947 amended Act 109 of 1935, and increased the gallonage taxes on alcoholic beverages to the following rates:

1. Spirituous Liquor ..... \$2.50 per gallon;
2. Vinous Liquor (except native wine) ..... \$0.75 per gallon;
3. Malt Liquor..... \$0.20 per gallon;
4. Beer ..... \$5.00 per barrel of 32 gallons (Act 169 increased the beer tax to \$7.50 per barrel of 32 gallons on all beer having an alcoholic content in excess of 3.2 percent by weight).

At the time of the adoption of Amendment 19 to the Arkansas Constitution, the only alcoholic beverages authorized to be manufactured and/or sold in this State were:

1. non-intoxicating beer and wine having an alcoholic content of 3.2 percent or less by weight;
2. native wine manufactured for shipment outside the State;
3. native brandy manufactured for shipment outside the State.

Act 108 of 1935 was the first Act of the General Assembly enacted after the repeal of Prohibition and the passage of Amendment 19, which authorized the lawful sale of intoxicating liquor and intoxicating beer and wine in this State. Act 69 of 1935 authorized the manufacture and sale of native wine in Arkansas. Act 109 of 1935 levied gallonage taxes on intoxicating liquor, malt liquor, and imported wine, and further provided for the lawful manufacture and sale of intoxicating beer (of more than 3.2 percent but not more than 5 percent alcoholic content by weight) and provided that the rate of tax on intoxicating beer would be the same as the rate of tax levied on non-intoxicating beer authorized under Act 7 of 1933.

Act 844 of 1983 increased the tax from \$7.50 to \$8.75 per 32 gallon barrel having an alcoholic content of more than 3.2% but not more than 5%. Act 844 of 1983 contained a provision by which the tax would revert to \$7.50 per 32 gallon barrel if and when the state sales tax was increased.

Act 63 of the 1st Extraordinary Session of 1983 increased that state sales tax. Due to this, the Beer Tax reverts to \$7.50 per 32 gallon barrel.

Act 424 of 1987 imposed the \$7.50/32-gallon barrel tax upon "Light Beer".

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 12,225,174	(0.55)
2004	\$ 12,319,223	0.77
2005	\$ 12,265,544	(.44)
2006	\$ 12,616,248	2.86
2007	\$ 12,551,500	(0.51)
2008	\$ 14,848,398	18.30
2009	\$ 17,153,071	15.52
2010	\$ 12,521,509	(27.00)
2011	\$ 16,401,179	30.98
2012	\$ 16,488,720	0.53
2013	\$ 16,924,900	2.65
2014	\$ 16,782,318	(0.84)

**Distribution:**

General Revenues

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 3-7-104(6)(A)

### 3.6. IMPORTED WINE TAX

Imported Wine, defined by Act 108 of 1935 as vinous liquor, manufactured outside the confines of Arkansas, having more than 5% and not more than 21% of alcohol by weight, shall be taxed by the Commissioner of Revenue, who shall remit the money so collected from wholesalers to the State Treasury.

#### Rate and Base:

75¢ per gallon

#### Exemptions:

Sacramental wine

#### History:

Act 7 of the 1st Extraordinary Session of 1933 (approved on August 24, 1933) authorized the manufacture, sale, and distribution within the State of Arkansas of light wines and beer. Act 7 defined “beer” to mean any fermented liquor made from malt or any substitute therefor and having an alcoholic content of not in excess of 3.2 percent by weight.

Act 7 defined “light wine” to mean the fermented liquor made from malt or any substitute therefor and having an alcoholic content of not in excess of 3.2 percent by weight. Act 7 also defined the term “intoxicating liquor” to mean vinous, ardent, malt fermented liquor or distilled spirits with an alcoholic content in excess of 3.2 percent by weight.

Section 3 of Act 7 levied a tax at the rate of One Dollar for 32 gallons (and proportionately for larger or smaller quantities) for the privilege of receiving, handling, possessing, manufacturing and/ or selling light wines and/or beer under said Act. In addition to such gallonage tax, special taxes were levied for the issuance of permits to wholesale dealers, brokers, distributors, manufacturers, and retailers of non-intoxicating liquor as defined in Act 7.

In brief, Act 7 of the 1st Extraordinary Session of 1933 (approved on August 24, 1933) was passed shortly before the ratification of the 21st Amendment, but authorized the lawful manufacture and sale of only non-intoxicating beer and light wine (having an alcohol content of not in excess of 3.2 percent by weight).

Act 108 of 1935, which is commonly referred to as the “Thorn Liquor Law”, was apparently the first Act passed by the General Assembly authorizing the lawful sale of spirituous or intoxicating liquor, beer, and wine in Arkansas following the repeal of Prohibition and following the adoption of Amendment 19 to the Arkansas Constitution at the November 6, 1934 general election.

Act 108 defined the word “spirituous” to mean liquor distilled from the fermented juices of grain, fruits or vegetables and containing more than 21 percent alcohol by weight, or any other liquids containing more than 21 percent alcohol by weight.

The word “vinous” was defined to mean the fermented juices of fruits, except wine, and containing more than five percent and not more than 21 percent alcohol by weight (the

exclusion of “wine” from this definition was apparently intended to exclude “native wine” from the provisions of Act 108).

The second paragraph of Section 6 of Act 108 contains the following language:

“It is further provided that malt and vinous beverages containing more than 3.2 percent alcohol by weight and not more than 5 percent of alcohol by weight shall be taxed and regulated as provided for malt and vinous beverages containing not more than 3.2 percent alcohol by weight under the provisions of Act No. 7 of the Acts of the Extraordinary Session of the General Assembly of 1933, approved August 24, 1933.”

The last paragraph of Section 6 of Act 108 contained specific language that the “exemption of wine as provided in this Act from the provisions hereof shall be construed, and it is hereby declared to be the legislative intent of this Act to mean only such wines or vinous liquors manufactured within the State of Arkansas”, and provided that all wine or vinous liquors manufactured without the confines of this State shall be legally sold, transported, imported, possessed, and consumed upon payment of same privilege and excise taxes as provided for other alcoholic liquors which are included and legalized under the provisions of Act 108.

Act 109 of 1935 provided for the levy of gallonage taxes, in addition to other permit fees and taxes, on distilled spirits, as follows:

1. Spirituous Liquor ..... \$0.40 per gallon;
2. Vinous Liquor (except native wine) . \$0.10 per gallon;
3. Malt Liquor (does not include beer) . \$0.03 on each gallon.

Act 108 of 1947 amended Act 109 of 1935 and increased the gallonage tax on imported wine from 10¢ per gallon to 75¢ per gallon.

Act 424 of 1987 imposes a tax of 25¢ per gallon on all “Light Wines” and wine coolers.

Act 902 of 1987 exempts all “Sacramental” wines from all taxes levied on wine and wine coolers.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,556,578	4.82
2004	\$ 1,644,614	5.66
2005	\$ 1,680,763	2.20
2006	\$ 1,863,193	10.90
2007	\$ 1,816,908	(2.48)
2008	\$ 2,049,133	12.78
2009	\$ 2,061,590	0.61
2010	\$ 2,257,092	9.48
2011	\$ 2,345,373	3.91
2012	\$ 2,462,395	4.99
2013	\$ 2,512,140	2.02
2014	\$ 2,494,318	(0.71)

**Distribution of Tax:**

General Revenues

**Administered by:**

Department of Finance and Administration - Revenue  
Services Division

**Cite:**

Arkansas Code (1987) 3-7-104(4)(A) and 3-7-104(5)(B)

### 3.7. LIQUOR PERMITS

No vinous, spirituous or malt liquors shall be manufactured, stored or sold in this state without a permit issued by the Director of the Alcoholic Beverage Control Board. The Director issues the permits and collects the fees from the manufacturer, wholesaler or retailer and deposits the monies in the State Treasury through the Cashier's Office of the Revenue Services Division of the Department of Finance and Administration.

**Rate and Base:**

- 1. Wholesaler ..... \$1,000
- 2. Liquor Rectifying..... \$1,500
- 3. Mixed Drinks - Hotel or Restaurant minimum ..... \$ 500  
Mixed Drinks - Hotel or Restaurant maximum ..... \$1,000  
Mixed Drinks - Hotel or Restaurant Private Club.. \$ 500
- 4. Retailer..... \$ 500
- 5. Distilling or manufacturing  
spirituous liquors and malt liquors ..... \$1,000
- 6. Manufacturing vinous liquors; except wines ..... \$ 500
- 7. Distilling brandy or spirituous liquors  
for use only in fortifying of natural wines..... \$ 250
- 8. Retail dealer of non-intoxicating liquor ..... \$ 200

**Exemptions:**

Agencies of the Armed Forces of the United States

**History:**

The sale of alcoholic beverages was legalized by the enactment of Act 108 of 1935, "The Arkansas Alcoholic Control Act", better known as "The Thorn Liquor Law". Act 108 imposed the following fees for permits to manufacture, sell, transport, possess, or other disposition for beverage purposes of spirituous, vinous or malt liquors:

- 1. Distilling spirituous liquors and/or manufacturing malt liquors ..... \$1,000
- 2. Manufacturing vinous liquors, except wines ..... \$ 500
- 3. Rectifying, blending or flavoring spirituous liquors  
..... \$1,500
- 4. Storing, transporting and selling spirituous, vinous or malt liquors at wholesale ..... \$1,000
- 5. Operating a dispensary from which vinous, spirituous and malt liquors, except wine, are sold..... \$ 400

In 1939, by Act 302 a fee was added for a permit for distilling brandy and/or spirituous liquors for use only in the fortifying of native wines - \$250.

Act 132 of 1969 authorized the sale of alcoholic beverages by certain hotels and restaurants for consumption on premises and provided for the licensing of private clubs in which alcoholic beverages may be sold for on-premises consumption and establishing the following fees:

- (a) Private Club - \$50
- (b) Hotel - \$50 minimum, \$1,000 maximum
- (c) Restaurant - \$500 minimum, \$1,000 maximum

Act 271 of 1969 increased the wholesale fee to \$1,000 and the retail permit to \$500.

Act 617 of 1989 authorized Post Exchange Permits, which allows for the retail sale of alcoholic beverages for off-premise consumption on property under the control of the Military Department of Arkansas. The annual fee for a Post Exchange Permit is \$100.

Act 528 of 1993 imposes a special tax of \$200 on each dealer in non-intoxicating liquor.

Act 455 of 2007 allows wine, beer and spirits tasting events under a retail liquor permit and shall not be exempt from the gross receipts and use taxes.

Act 1105 of 2013 requires brand labels be registered before they are shipped into the state, and the \$15 registration fee be deposited to the Alcoholic Beverage Control Fund. Requires a \$50 permit fee for supplier registration.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 961,688	6.98
2004	\$ 961,210	(0.05)
2005	\$1,083,080	12.68
2006	\$ 942,040	(13.02)
2007	\$1,109,438	17.77
2008	\$1,235,075	11.32
2009	\$ 1,122,668	(9.10)
2010	\$ 1,873,415	66.87
2011	\$ 2,946,335	57.27
2012	\$ 2,884,360	(2.10)
2013	\$ 2,908,693	0.84
2014	\$ 2,804,765	(3.57)

**Distribution of Tax:**

General Revenues

Alcoholic Beverage Control Fund

**Administered by:**

Director of the Alcoholic Beverage Control Board

**Cite:**

Arkansas Code (1987) 3-4-602; 3-4-603; 3-4-604; 3-7-111; 3-9-212; 3-9-222; 3-5-104; 3-2-403; 3-4-608



### 3.8. LIQUOR TAX

The tax on spirituous liquor, defined as being distilled from the fermented juices of grain, fruits or vegetables and containing more than 21% of alcohol by weight and the tax on malt liquor, defined as brewed from the fermented juices of grain and containing more than 50% of alcohol by weight and the tax on vinous liquor, defined as the fermented juices, fruits, except wine, and containing more than 5% and not more than 21% of alcohol by weight is levied at the wholesale level. The wholesale distributors collect the tax from the retailers who pass the tax on to the customers. The taxes are remitted by the wholesaler to the Revenue Services Division of the Finance and Administration Department who deposits the taxes in the State Treasury as Liquor Tax.

#### Rate and Base:

1. \$2.50 on each gallon of spirituous liquor,
2. 75¢ on each gallon of vinous liquor,
3. 20¢ on each gallon of malt liquor,
4. \$1.00 per gallon on premixed liquor, and
5. 50¢/gallon on light spirituous liquor.

#### Exemptions:

Denatured alcohol, medicinal preparations, proprietary medicines, antiseptic preparations, flavoring extracts, sweet cider, medicated alcohol, mechanical alcohol, wines, or other alcohol products rendered unfit for beverage purposes and alcoholic beverages sold to agencies of the Armed Forces of the United States.

#### History:

Amendment 18 to the Constitution of the United States, which declared “after one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited,” was declared ratified January 29, 1919. This prohibition amendment was repealed by Amendment 21 to the Constitution of the United States and declared “the transportation or importation into any state, territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited,” was declared ratified December 5, 1933.

The Arkansas General Assembly enacted Act 108, approved March 16, 1935, known as “The Thorn Liquor Law”, which provided for the manufacture, sale, transportation, possession, or other disposition of spirituous, vinous and malt liquors and required permit fees for the above purposes.

The liquors regulated by Act 108 were defined as follows:

1. Spirituous shall mean liquor distilled from fermented juices of grain, fruits or vegetables containing more than 21% of alcohol by weight;

2. Vinous shall mean the fermented juices of fruits, except wine, and containing more than 5% and not more than 21% of alcohol by weight;
3. Malt shall mean liquor brewed from fermented juices of grain and containing more than 5% of alcohol by weight.

Act 108 also provided that beer containing not more than 5% of alcohol by weight and other malt beverages containing not more than 5% of alcohol by weight were not defined as malt liquors and were exempt from the provisions of Act 108.

Act 108 further provided that malt and vinous beverages containing more than 3.2% of alcohol by weight and not more than 5% of alcohol by weight shall be taxed and regulated as provided for malt and vinous beverages containing not more than 3.2% alcohol by weight under the provisions of Act No. 7 of the Acts of the Extraordinary Session of the General Assembly of 1933, approved August 24, 1933.

The first tax on spirituous, vinous and malt liquors was imposed by Act 109, approved March 16, 1935, as follows:

1. Excise tax of 5¢ for each proof gallon or distilled spirits for which a permit is issued;
2. 40¢ on each gallon of spirituous liquor;
3. 10¢ on each gallon of vinous liquor (except wines);
4. 3¢ on each gallon of malt liquor.

Act 236 of 1937 amended Act 109 of 1935 by imposing a tax of 40¢ on each gallon of spirituous liquor and an additional tax of 25¢ on each gallon of spirituous liquor.

Act 18 of the 1st Extraordinary Session, approved April 1, 1938, added a second “additional tax” of 15¢ a gallon on spirituous liquor, raised the tax on vinous liquor to 50¢ a gallon and retained the 3¢-a-gallon tax on malt liquor.

Act 176 of 1939 levied an inspection fee of 60¢ per case, not exceeding three gallons, on all spirituous liquors which were for sale outside the limits of this State.

Act 310 of 1939 imposed a “Liquor Consumers Sales Tax” upon all sales of spirituous and vinous liquors which was to be collected from the wholesaler at the rate of 3% of the wholesale price. The retailer was to pass it on to the consumer by collecting 2% on all retail sales of liquor.

Act 393 of 1939 added a third “additional” tax of 32¢ a gallon on spirituous liquor.

Act 266 of 1941 again amended the tax rates on liquors to provide that the tax on spirituous liquor shall be \$1.12 on each gallon, raised the tax on vinous liquor to 60¢ on each gallon and raised the tax on malt liquor to 20¢ on each gallon.

Act 313 of 1945 imposed an additional tax of 38¢ on spirituous liquor for a two-year period ending May 31, 1947. Such additional tax was for the purpose of providing funds for permanent facilities for the Arkansas Livestock Show Association and to provide premiums for state and county livestock shows.

Act 108 of 1947 raised the tax to \$2.50 on each gallon of spirituous liquor and the tax on vinous liquor to 75¢ on each gallon and retained the 20¢-per-gallon tax on malt liquor.

Act 844 of 1983 increased the tax on spirituous liquor to \$2.875 on each gallon. This Act contained a provision that would repeal the tax increase when the State sales tax was increased.

Act 63 of the 1st Extraordinary Session of 1983 increased the State sales tax; therefore, the Liquor Tax reverted to \$2.50 per gallon.

Act 424 of 1987 imposes a tax of \$1/gallon on pre-mixed spirituous liquor and 50¢/gallon on light spirituous liquor.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 455 of 2007 allows wine, beer and spirits tasting events under a retail liquor permit and shall not be exempt from the gross receipts and use taxes.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 6,721,905	5.83
2004	\$ 6,972,304	3.73
2005	\$ 7,135,765	2.34
2006	\$ 7,496,080	5.05
2007	\$ 7,524,591	0.38
2008	\$ 8,036,603	6.80
2009	\$ 8,380,832	4.28
2010	\$ 8,610,018	2.73
2011	\$ 8,492,391	(1.37)
2012	\$ 8,945,371	5.33
2013	\$ 8,738,453	(2.31)
2014	\$ 8,863,195	1.43

**Distribution of Tax:**

General Revenues

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 3-7-104; 3-5-104

### 3.9. LIQUOR TAX - 20 CENTS PER CASE

This tax on liquor, cordials, liqueurs and specialties is levied on the wholesaler and not passed on to the retailer or the public and is in addition to all other taxes levied and collected. The monies are collected by the Commissioner of Revenues and deposited in the State Treasury.

#### Rate and Base:

20¢ per case and 5¢ per case on “Light Alcohol”

Exemptions: None

#### History:

This tax was imposed by Act 282 of 1949, which was the Act which fixed the prices of spiritous, vinous or malt liquors. The tax imposed by Act 282 was 25¢ per case and was to be used exclusively by the Revenue Commissioner in the enforcement of the provisions of the price-fixing provisions of Act 282 and all other liquor control and enforcement Acts of the State of Arkansas. The provisions of Act 282 concerning price regulations were repealed by Act 106 of 1971.

Act 385 of 1953 reduced the tax to 20¢ per case.

Act 424 of 1987 levied a 5¢-per-case tax on “Light Alcohol.”

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 207,278	4.29
2004	\$ 214,990	3.72
2005	\$ 222,127	3.32
2006	\$ 236,328	6.39
2007	\$ 649,147	174.68
2008	\$ 251,985	(61.18)
2009	\$ 264,987	5.16
2010	\$ 273,703	3.29
2011	\$ 287,068	4.88
2012	\$ 252,360	(12.09)
2013	\$ 299,551	18.70
2014	\$ 297,680	(0.62)

#### Distribution of Tax:

General Revenues

#### Administered by:

Department of Finance and Administration - Revenue Services Division

#### Cite:

Arkansas Code (1987) 3-7-111(4)(b)(1)

### 3.10. MIXED DRINK TAX

The sale of alcoholic beverages other than beer or native wine for on-premises consumption is subject to a tax of 14% upon the gross receipts in addition to the gross receipts tax levied by Arkansas Code 26-52-101 et seq. Said tax shall be paid to the Commissioner of Revenues who shall deposit the monies in the State Treasury. The tax may be passed on to the consumer.

#### Rate and Base:

14% upon gross receipts

#### Exemptions:

None

#### History:

On-premises consumption of alcoholic beverages other than beer or native wine was authorized by Act 132 of 1969, and a supplemental tax of 10% was levied upon the gross receipts.

Act 844 of 1983 increased the Mixed Drinks supplemental tax to 12% and provided that wine shall not be defined as a Mixed Drink. This Act contained a provision that, when the State Sales Tax was increased, the Mixed Drink Tax would revert to 10%.

Act 1000 of 1985 levied an additional 3% mixed drink tax for the period July 1, 1985 through December 31, 1985. Revenue derived from the additional levy was deposited as "special revenue" and credited to the University of Arkansas Medical Center Fund. For the six-month period, the Mixed Drink Tax was levied at a rate of 13%.

Act 639 of 1987 levied an additional 3% Mixed Drink Tax for the period July 1, 1987 through January 1, 1988 inclusive. Revenue derived from the additional levy was deposited as "special revenue" and credited to the University of Arkansas Medical Center Fund. For the six-month period, the Mixed Drink Tax was levied at a rate of 13%.

Act 908 of 1989 levies an additional tax of 4% on the gross proceeds or gross receipts from the sale of alcoholic beverages sold for on-premise consumption. Beer and wine are exempt from the tax.

Act 261 of the 1st Extraordinary Session of 1989 re-enacted the additional tax of 4% on the gross proceeds or gross receipts from the sale of mixed drinks.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 335 of 2003 requires Department of Finance and Administration to notify cities and counties of audits resulting in additional mixed drink taxes being owed.

Act 1274 of 2005 continues the 4% supplemental mix drink tax first levied in 1989. A supplemental 4% tax is also levied on private clubs for the privilege of serving mixed drinks and proceeds go to UAMS.

#### Revenues Generated:

##### General Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 4,679,924	6.75
2004	\$ 4,603,518	(1.63)
2005	\$ 5,251,392	14.07
2006	\$ 5,868,773	11.76
2007	\$ 6,073,801	3.49
2008	\$ 1,240,145	(79.58)
2009	\$ 3,794,536	205.98
2010	\$ 7,434,449	95.93
2011	-0-	(100.00)
2012	-0-	
2013	-0-	
2014	-0-	

For FY11 and thereafter, general revenue collections from the Mixed Drink Tax are included in the sales tax collections reflected on page 20.

#### Revenues Generated:

##### Special Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,491,100	4.56
2004	\$ 1,527,813	2.46
2005	\$ 1,716,607	12.36
2006	\$ 1,924,601	12.12
2007	\$ 2,029,940	5.47
2008	\$ 2,138,695	5.36
2009	\$ 2,207,643	3.22
2010	\$ 2,355,121	6.68
2011	\$ 2,511,796	6.65
2012	\$ 2,622,568	4.41
2013	\$ 2,829,073	7.87
2014	\$ 2,996,220	5.91

#### Distribution of Tax:

General Revenues 10%, special revenues 4% credited to the University of Arkansas Medical Center Fund.

#### Administered by:

Department of Finance and Administration - Revenue Services Division

#### Cite:

Arkansas Code (1987) 3-9-213

### 3.11. NATIVE WINE ENFORCEMENT TAX

The Native Wine Enforcement Tax shall be paid by the manufacturer on all sales made in Arkansas to Arkansas wholesalers, retailers or consumers. The manufacturer shall remit the tax to the Commissioner of Revenues for deposit in the State Treasury.

**Rate and Base:**

5¢ on each case of native wine

**Exemptions:**

None

**History:**

The Native Wine Enforcement Tax of 5¢ per case was imposed by Act 271 of 1969 and was to be used for the support of the Alcoholic Beverage Control program in enforcement of the alcoholic beverage laws of this State. It is now classified as General Revenues.

Act 424 of 1987 imposes the 5¢-per-case enforcement tax on “Light Wines” and wine coolers.

Act 668 of 2007 creates the small farm winery to promote economic development and tourism and sets certain license fees. A seventy-five cents (.75¢) per gallon tax is levied upon all small farm winery wine manufactured and sold in this state; a twenty-five cents (.25¢) per gallon tax is levied upon all light wine manufactured and sold in the state.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 4,336	43.58
2004	\$ 4,863	12.15
2005	\$ 4,955	1.89
2006	\$ 5,024	1.39
2007	\$ 5,339	6.27
2008	\$ 5,143	(3.67)
2009	\$ 5,140	(0.06)
2010	\$ 5,312	3.35
2011	\$ 5,676	6.85
2012	\$ 6,141	8.19
2013	\$ 6,708	9.23
2014	\$ 7,008	4.47

**Distribution of Tax:**

General Revenues

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 3-7-111(1)(A); 3-5-1601; 3-5-1602(C)(1); 3-5-1603; 3-5-1604; 3-5-1605; 3-5-1606; 3-5-1607; 3-5-1608; 3-2-411

### 3.12. SMALL FARM WINERY TAX

The manufacture of wine made from juices of grapes, berries and other fruits grown in the State of Arkansas and sold in or out of the State is taxed at the winery and is paid by the manufacturer upon completion of fermentation to the Commissioner of Revenues and is remitted by him to the State Treasury.

#### Rate and Base:

75¢ per gallon

#### Exemptions:

Growers of grapes, berries or other fruits or vegetables in this State have the right to manufacture, free from tax, wine for consumption in their homes by themselves and guests, but not for sale, in quantities not to exceed 200 gallons; sacramental wines are exempt.

#### History:

Act 4, approved January 12, 1934, of the Extraordinary Session of the General Assembly convened on Tuesday, January 2, 1934, authorized the lawful manufacture of wine from the juices of grapes, berries and other fruits, and from vegetables grown in the State of Arkansas, to be transported and sold outside the State. A tax of ten cents per gallon was levied upon such “native wine” manufactured for shipping out of the State. Act 4 of 1934 was passed prior to the adoption of Amendment 19 to the Arkansas Constitution at the November 6, 1934 general election.

Act 69 of 1935, commonly referred to as the “Native Wine Law,” authorized the manufacture and sale of wines from the juices of grapes, berries and other fruits, and from vegetables grown in the State of Arkansas, and authorized the sale thereof both within and out of the State. A tax of five cents per gallon upon all native wines manufactured under the “Native Wine Law” was levied in Section 8 of Act 69.

Act 906 of 1983 amended the distribution of the 5¢/gallon tax on native wine. All revenue derived from the tax shall be Special Revenue and credited to the University of Arkansas Fund. The money is to be used exclusively to promote research on the production of wine grapes and the manufacture of wine in Arkansas.

Act 1052 of 1985 increased the gallonage tax on “native wine” to 75¢/gallon. Distribution of this tax is as follows: 70¢ to be deposited as General Revenue; 5¢ to be deposited as Special Revenue and credited to the University of Arkansas Fund.

Act 424 of 1987 imposes a tax of 25¢/gallon on all “Light Wines” and wine coolers.

Act 902 of 1987 exempts “Sacramental Wines” from all taxes levied on wine.

Act 668 of 2007 creates the small farm winery to promote economic development and tourism and sets certain license fees. A seventy-five cents (.75¢) per gallon tax is levied upon all small farm winery wine manufactured and sold in this

state; a twenty-five cents (.25¢) per gallon tax is levied upon all light wine manufactured and sold in the state.

#### Revenues Generated:

Fiscal Year	Amount	%Change
Ending June 30		
2003	\$ 152,036	40.17
2004	\$ 169,552	11.52
2005	\$ 168,888	(.39)
2006	\$ 177,812	5.28
2007	\$ 182,140	2.43
2008	\$ 192,161	5.50
2009	\$ 190,741	(0.74)
2010	\$ 193,046	1.21
2011	\$ 207,956	7.72
2012	\$ 225,451	8.41
2013	\$ 251,625	11.61
2014	\$ 261,852	4.06

#### Distribution of Tax:

General Revenues;

#### Administered by:

Department of Finance and Administration - Revenue Services Division

#### Cite:

Arkansas Code (1987) 3-5-409; 3-5-1601; 3-5-1603; 3-5-1604; 3-5-1605; 3-5-1607; 3-5-1608; 3-2-411; 3-5-1602(C)(1); 3-5-1606

### **3.13. ONE PERCENT BEVERAGE EXCISE TAX**

A special alcoholic beverage excise tax of one percent (1%) is levied upon all retail receipts or proceeds derived from the sale of beer.

#### **Rate and Base:**

1% of retail receipts

#### **Exemptions:**

None

#### **History:**

Act 869 of 2007 levies a one percent (1%) special alcoholic beverage excise tax upon all retail receipts or proceeds derived from the sale of beer.

#### **General Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2008	\$ 2,559,774	---
2009	\$ 3,358,798	31.21
2010	\$ 3,484,613	3.75
2011	-0-	(100.00)
2012	-0-	
2013	-0-	
2014	-0-	

#### **Distribution of Tax:**

General Revenues from retail beer sales

#### **Administered by:**

Department of Finance and Administration – Department of Revenue

#### **Cite:**

Arkansas Code 3-7-201

### 3.14. SUNDAY SALES PERMITS

Any city of the first class or any county in which the sale of alcoholic beverages for on-premises consumption in licensed restaurants and hotels has been authorized by a majority of the qualified electors of that city or county voting on the issue may refer to the voters at an election the issue of whether to authorize the sale of alcoholic beverages on Sundays between the hours of 12:00 noon and 10:00 P.M., or within a lesser period within such hours as may be provided in the ordinance.

#### Rate and Base:

1. For a hotel having fewer than 100 rooms - \$100.00
2. For a hotel having 100 or more rooms - \$200.00
3. For restaurant having a seating capacity of less than 100 persons - \$100.00
4. For restaurant having a seating capacity of 100 or more persons - \$200.00

An annual renewal fee in the same amount as provided above shall be paid to the director on or before July 1 of each year.

#### Exemptions:

None

#### History:

Act 766 of 1987 established the fee schedule for Sunday Sale Permits.

Act 790 of 2009 authorizes large attendance facilities to sell alcoholic beverages for on premises consumption on any day of the week with exception.

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 47,475	(5.90)
2004	\$ 51,475	8.43
2005	\$ 61,085	18.67
2006	\$ 53,690	(12.11)
2007	\$ 68,795	28.13
2008	\$ 70,610	2.64
2009	\$ 17,210	(75.63)
2010	-0-	(100.00)
2011	-0-	
2012	-0-	
2013	-0-	
2014	-0-	

#### Distribution of Tax:

General Revenues

#### Administered by:

Director, Alcoholic Beverage Control Board

#### Cite:

Arkansas Code (1987) 3-9-407



**3.15. THREE PERCENT (3%)  
BEVERAGE EXCISE TAX**

A special Alcoholic Beverage Excise Tax of 3% is levied upon all retail receipts or proceeds derived from the sale of beer, liquor, cordials, liqueurs, specialties, sparkling and still wines. The tax is collected by the retailer in addition to the retail price of such products and remitted to the Commissioner of Revenues. This tax is in addition to the Gross Receipts Tax.

**Rate and Base:**

3% of retail receipts

**Exemptions:**

None

**History:**

This Excise Tax was levied by Act 252 of 1951, and there has been no change in Act 252 since enactment.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic transfer.

Act 1841 of 2001 (Child Care for Working Families Act) levies an alcoholic beverage excise tax of three percent upon all retail sales of beer to be deposited into the Dept. of Human Services Grants Fund Account and distributed eighty percent to Arkansas Better Chance Program, and the remaining 20% to child care for low income families. Expires June 30, 2003.

Act 272 of 2003 extends the expiration date (as reflected above in Act 1841 of 2001) to June 30, 2005.

Act 2188 of 2005 extends 3% retail beer tax until June 30, 2007.

**General Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 4,994,755	2.79
2004	\$ 5,198,391	4.08
2005	\$ 5,390,950	3.70
2006	\$ 5,929,576	9.99
2007	\$ 6,420,348	8.28
2008	\$ 1,146,578	(82.14)
2009	\$ 21,601	(98.12)
2010	-0-	(100.00)
2011	-0-	
2012	-0-	
2013	-0-	
2014	-0-	

**Special Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 8,455,159	37.91
2004	\$ 8,631,096	2.08
2005	\$ 8,995,424	4.22
2006	\$ 8,940,514	(0.61)
2007	\$ 8,968,993	.32
2008	\$ 1,911,141	(78.69)
2009	\$ 29,763	(98.44)
2010	\$ 79,119	165.83
2011	\$ 26,280	(66.78)
2012	\$ 21,533	(18.06)
2013	\$ 24,085	11.85
2014	\$ 4,876	(79.76)

**Distribution of Tax:**

General Revenues from liquor and wine  
Special Revenue from beer

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 3-7-201

### 3.16. WINE PERMITS

Wine permits are collected by the Director of the Alcoholic Beverage Control Board and remitted to the State Treasury through the Cashier's Office of the Revenue Services Division.

#### Rate and Base:

License fees - For the privilege of doing business respectively, as herein below indicated, there is imposed, levied and collected, the following license fees:

1. For the privilege of manufacturing wine in quantities not to exceed five thousand (5,000) gallons, a license fee of one dollar (\$1.00) per thousand gallons is paid by the manufacturer.
2. For the privilege of manufacturing wine in excess of five thousand (5,000) gallons, a license fee of two hundred fifty dollars (\$250.00) is paid by the manufacturer.
3. For the privilege of selling wine, except by a manufacturer at his winery, there is paid for each retail dealer's license a fee of fifteen dollars (\$15.00).
4. For the privilege of selling wine, except by a manufacturer at his winery, there is to be paid for each wholesale dealer's license a fee of fifty dollars (\$50.00).
5. For the privilege of selling wine in a restaurant, the fee is fifty dollars (\$50.00).
6. Wholesale dealers, brokers, or distributors in light wine - \$250/county.

#### Exemptions:

Agencies of the armed forces of the United States

#### History:

Fees for wine permits were established by Act 69 of 1935, known as the "Native Wine Law," and have not been changed, except that Act 120 of 1965 authorized the selling of wine in a restaurant.

Act 617 of 1989 authorized Post Exchange Permits, which allows for the retail sale of alcoholic beverages for off-premise consumption on property under the control of the Military Department of Arkansas. The annual fee for a Post Exchange Permit is \$100.

Act 528 of 1993 provides for a special tax of \$250 for each county in which a broker, dealer, or wholesale dealer operates. The tax shall not exceed \$1,000.

Act 483 of 2013 allows direct shipment of vinous liquor to Arkansas residents by registered wineries.

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 28,935	(4.52)
2004	\$ 34,848	20.44
2005	\$ 35,709	2.47
2006	\$ 57,511	61.05
2007	\$ 55,173	(4.07)
2008	\$ 66,191	19.97
2009	\$ 59,706	(9.80)
2010	\$152,735	155.81
2011	\$223,705	46.47
2012	\$256,325	14.58
2013	\$293,950	14.68
2014	\$315,125	7.20

#### Distribution of Tax:

General Revenues

#### Administered by:

Director of the Alcoholic Beverage Control Board

#### Cite:

Arkansas Code (1987) 3-5-407; 3-9-301; 3-5-1701

### **3.17. WINE TAX - 5 CENTS PER CASE**

The tax on sparkling and still wines is levied on the wholesaler and is not to be passed on by the wholesaler to the retailer or to the public and is in addition to all other taxes levied and collected. The monies are collected by the Commissioner of Revenues and deposited in the State Treasury.

#### **Rate and Base:**

5¢ per case

#### **Exemptions:**

None

#### **History:**

This tax was imposed by Act 282 of 1949 which was the Act which fixed the prices of spirituous, vinous and malt liquors. The tax imposed by Act 282 was 10¢ per case on sparkling and still wines and was to be used exclusively by the Revenue Commissioner in the enforcement of the price-fixing provisions of Act 282 and all other liquor control and enforcement Acts of the State of Arkansas. The provisions of Act 282 concerning price regulations were repealed by Act 106 of 1971.

Act 385 of 1953 reduced the tax to 5¢ per case.

Act 424 of 1987 imposes the 5¢ per case tax on “Light Wines” and wine coolers.

#### **Revenues Generated:**

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Amount</u>	<u>%Change</u>
2003	\$ 37,184	3.84
2004	\$ 39,298	5.69
2005	\$ 39,737	1.12
2006	\$ 42,965	8.12
2007	\$ 46,729	8.76
2008	\$ 49,779	6.53
2009	\$ 49,980	0.40
2010	\$ 54,538	9.12
2011	\$ 58,064	6.47
2012	\$ 59,665	2.76
2013	\$ 55,749	(6.56)
2014	\$ 59,968	7.57

#### **Distribution of Tax:**

General Revenues

#### **Administered by:**

Department of Finance and Administration - Revenue Services Division

#### **Cite:**

Arkansas Code (1987) 3-7-111

# Chapter 4 - Soft Drink Tax

## 4.1. SOFT DRINK TAX

All distributors, wholesalers or manufacturers of soft drinks, whether located within or without the state, who sell or offer syrups, simple syrups, powders or base products, or soft drinks for sale to retail dealers shall obtain a license for such privilege from the director of the Department of Finance and Administration.

### Rate and Base:

1. Soft drink syrup or simple syrup..... \$2.00 per gallon.
2. Bottled soft drinks..... \$0.21 per gallon.
3. Powders or other base products ..... \$0.21 per gallon.

### Exemptions:

The following shall be exempt from the tax levied by this act:

1. Syrups, simple syrups, powders or base products, or soft drinks sold to the United States Government.
2. Syrups, simple syrups, powders or base products, or soft drinks exported from the State of Arkansas by a distributor, wholesaler or manufacturer.
3. Any powder or base product that is used in preparing coffee or tea.
4. Any frozen concentrate or freeze dried concentrate to which only water is added to produce a soft drink containing more than ten percent (10%) natural fruit juice or natural vegetable juice.
5. Any soft drink containing more than ten percent (10%) natural fruit juice or natural vegetable juice.
6. Syrups, simple syrups, powders or base products, or soft drinks sold by one distributor, wholesaler or manufacturer to another distributor, wholesaler or manufacturer who holds a license issued by the Director under the provisions of this Act as a distributor, wholesaler or manufacturer provided that the license number of the distributor, wholesaler, manufacturer to whom the soft drink is sold is clearly shown on the invoice for the sale which is claimed to be exempt. This exemption shall not apply to any sale to a retailer.
7. Any product whether sold in liquid or powder form which is intended by the manufacturer for consumption by infants and which is commonly referred to as "infant formula".
8. Any product whether sold in liquid or powder form which is intended by the manufacturer for use as a dietary supplement or for weight reduction.
9. Water to which no flavoring, whether artificial or natural, nor carbonation has been added.
10. Any powder or other base product which is intended by the manufacturer to be sold and used for the purpose of domestically mixing soft drinks by the ultimate consumer.
11. Any product containing milk or milk products.

### History:

Act 7 of the Second Extraordinary Session of 1992 established the Arkansas Soft Drink Tax Act.

Act 1073 of 1993 provides that for the biennial period ending June 30, 1995, those taxes levied upon soft drinks shall be deposited in the Medicaid Program Trust Fund.

Act 27 of the Second Extraordinary Session of 1994 deletes the biennial reference to deposits of soft drink taxes provided for in Act 1073 of 1993.

Act 301 of 1995 provides for the payment of soft drink tax by electronic funds transfer if the taxpayer's annual liability equals or exceeds \$20,000.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 42,114,397	0.68
2004	\$ 42,778,101	1.58
2005	\$ 46,003,000	7.54
2006	\$ 45,972,969	(0.07)
2007	\$ 48,808,878	6.17
2008	\$ 46,473,832	(4.78)
2009	\$ 47,601,195	2.43
2010	\$ 45,503,846	(4.41)
2011	\$ 46,517,093	2.23
2012	\$ 46,826,721	0.67
2013	\$ 44,534,800	(4.89)
2014	\$ 43,892,669	(1.44)

### Distribution of Tax:

Trust Fund

### Administered by:

Department of Finance and Administration -- Revenue Services Division

### Cite:

Arkansas Code 26-57-904

# Chapter 5 - Tobacco Taxes

## 5.1. CIGAR AND TOBACCO TAX

The Cigar and Tobacco Tax is levied at the wholesale level (or at the retail level if the retailer purchases tobacco products direct from the manufacturer) and are remitted by them to the State. Tobacco products are defined as “all products containing tobacco for consumption and includes, but is not limited to, cigarettes, cigars, little cigars, cigarillos, chewing tobacco, pipe tobacco and smoking tobacco substitutes.”

### Rate and Base:

The excise or privilege tax on tobacco products, other than cigarettes, on the first sale to wholesalers or retailers within the State, is 32% of the manufacturer’s selling price and is computed on the actual manufacturer invoice price before discounts and deals, and 25¢/package of 32 sheets of cigarette paper.

### Exemptions:

Tobacco products sold to military departments of the United States or the State of Arkansas for resale on military bases within this State and tobacco products sold and delivered to authorized purchasers outside this State for resale and to other wholesalers are not subject to this tax.

### History:

The Tobacco Products Tax (Cigar and Tobacco Tax) was enacted by Act 274 of 1969 at a rate of fifteen percent (15%) of the wholesale selling price of tobacco products on the first sale to retailers within this State. Act 546 of 1977 increased the tax to sixteen percent (16%) of the manufacturers selling price.

Act 628 of 1987 imposed the 16% Tobacco Products Tax on snuff.

Act 1045 of 1987 levied a tax of 25¢ per package of cigarette papers. This tax is remitted at the same time and in the same manner as the Arkansas Tobacco Products Tax.

Act 2 of the Second Extraordinary Session of 1992 levies an additional excise tax on tobacco products of 9% of the manufacturers selling price. The additional 9% excise tax is imposed from February, 1992 to June 30, 1993. On July 1, 1993, the additional levy is 7% of the manufacturers selling price.

Act 495 of 1993 allows tobacco product wholesalers to deduct from the tax due bad debts that are reported for federal income tax purposes.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 434 of 1997 provides that in addition to the tax imposed by Ark. Code Ann. §26-57-208(2), there is hereby imposed an additional excise or privilege tax on tobacco products, other than cigarettes, on the first sale to wholesalers or retailers within the state at two percent (2%) of the manufacturer’s selling price. The tax shall be computed on the

actual manufacturer invoice price before discounts and deals and shall be paid by the wholesaler, or by the retailer if he purchases directly from the manufacturer.

Act 38, First Extraordinary Session of 2003 increased the tobacco excise tax by an additional 7% for a total tax of 32%, effective June 1, 2003.

Act 817 of 2007 authorizes direct payment of excise tax to DFA for consumers who purchase untaxed tobacco products or unstamped cigarettes.

Act 180 of 2009 increases the cigarette tax by an additional twenty-eight dollars per one thousand cigarettes. Levies an additional tax on tobacco products other than cigarettes at thirty-six percent of the manufacture’s selling price before discounts and deals. The commission paid to stamp deputies is not less than three percent of the total aggregate cigarette tax collected.

Act 940 of 2009 allows a city that adjoins a border city that is separated by a river from a city in another state to sell cigarettes at the rate used by the border city.

Act 836 of 2011 creates the Tobacco Products Reporting Act to amend disclosure and enforcement of the Tobacco Products Act of 1977.

Act 510 of 2013 limits the total amount of excise or privilege taxes on cigars to 50 cents per cigar.

Act 631 of 2013 clarifies that current law imposes excise tax on all tobacco products offered for sale in the state, based on invoice price.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 15,840,338	0.08
2004	\$ 19,974,696	26.10
2005	\$ 19,211,494	(3.82)
2006	\$ 18,948,938	(1.37)
2007	\$ 19,223,880	1.45
2008	\$ 20,636,148	7.35
2009	\$ 27,358,249	32.57
2010	\$ 49,301,220	80.21
2011	\$ 50,010,528	1.44
2012	\$ 50,315,340	0.61
2013	\$ 50,344,846	0.06
2014	\$ 48,192,351	(4.28)

### Distribution of Tax:

General Revenues

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 26-57-208; 26-57-801

## 5.2. CIGARETTE AND TOBACCO PRODUCTS PERMITS

Before dealing with or otherwise doing business in tobacco products in this State, a person must register with the Director of the Tobacco Control Board and obtain a permit or license for that purpose, and the Commissioner remits the money to the State. All tobacco products fees and permits are remitted to the Treasurer of State as “Cigarette Permits.”

### Rate and Base:

Retailers may secure temporary permits to operate at picnics, fairs, carnivals, circuses or any other temporary public gathering for periods not to exceed ten (10) days for a fee of five dollars (\$5.00).

- |   |          |
|---|----------|
| 1. Wholesale Cigarette Permit .....   | \$500.00 |
| 2. Wholesale Tobacco Permit .....   | \$500.00 |
| 3. General Tobacco Products Vending Permit .....  | \$100.00 |
| 4. Tobacco Products Vending Machine License,<br>per machine .....                             | \$10.00  |
| 5. Retail Cigarette/Tobacco Permit --weekly<br>gross sales less than \$5,000 .....            | \$20.00  |
| 6. Retail Cigarette/Tobacco Permit --weekly<br>gross sales between \$5,000 and \$15,000 ..... | \$30.00  |
| 7. Retail Cigarette/Tobacco Permit --weekly<br>gross sales in excess of \$15,000 .....        | \$50.00  |
| 8. Salesman’s License .....   | \$25.00  |
| 9. Dealer’s License .....   | \$25.00  |
| 10. Manufacturers Representative .....  | \$25.00  |
| 11. Manufacturer Cigarette Permit .....   | \$500.00 |
| 12. Manufacturer Tobacco Permit .....   | \$500.00 |

When a permit or license is lost by a holder, a duplicate permit or license may be issued on application and for a fee of five dollars (\$5.00) when sufficient proof has been given the Director of the Tobacco Control Board. All permits and licenses issued shall expire on June 30 of the year following the effective date of issuance.

### Exemptions:

Military departments of the United States or the State of Arkansas where cigarette or tobacco products are sold on military bases within the State.

### History:

Act 152 of 1929, which established the cigarette tax rate, imposed the following fees for permits:

- |   |          |
|---|----------|
| 1. Wholesale permit .....   | \$ 25.00 |
| 2. Retail permit for annual sales of less than \$500 .....        | \$ 5.00  |
| 3. Retail permit for annual sales of<br>\$500.00 to \$1,000 ..... | \$ 10.00 |
| 4. All other permits .....  | \$ 20.00 |

Act 266 of 1933 defined a “Tobacco Products Peddler” as a person who conducts a business of soliciting sales or of taking orders from consumers or dealers in tobacco products but is not a salesman for a wholesaler who has a wholesale permit and established a fee of \$25 for such “peddler.”

Act 336 of 1937 added a \$5 fee for every salesman of tobacco products.

Act 416 of 1941 added a provision that retailers may secure permits to operate at picnics, fairs, carnivals, circuses or other temporary public gatherings for periods not to exceed seven days for a fee of \$1 and also provided a fee of \$1 for a duplicate permit when a permit is lost.

The 1977 session enacted Act 546, “The Arkansas Tobacco Products Tax Act of 1977” which revised and codified the laws relating to tobacco products and established the following fees for permits:

- |   |         |
|---|---------|
| 1. Permits for no longer than 10 days ..... | \$ 5.00 |
| 2. Wholesaler’s permit .....                | \$50.00 |
| 3. Salesman’s license .....                 | \$10.00 |
| 4. Retailer’s permit .....                  | \$10.00 |
| 5. Dealer’s license .....                   | \$10.00 |
| 6. Vending machine permit .....             | \$10.00 |
| 7. Duplicate permit or license .....        | \$ 5.00 |

Act 911 of 1979 imposed the following fees for permits:

- |   |          |
|---|----------|
| 1. Wholesale Cigarette Permit .....                                   | \$50.00  |
| 2. Wholesale Tobacco Permit .....                                     | \$25.00  |
| 3. General Tobacco Products Vending Permit .....                      | \$100.00 |
| 4. Restricted Tobacco Products Vending Permit<br>(1-2 machines) ..... | \$ 50.00 |
| 5. Tobacco Products Vending Machine License,<br>per machine .....     | \$ 10.00 |
| 6. Retail Cigarette Permit .....                                      | \$ 10.00 |
| 7. Retail Tobacco Permit .....  | \$ 1.00  |
| 8. Salesman’s License .....   | \$ 10.00 |
| 9. Dealer’s License .....   | \$ 25.00 |

Act 1337 of 1997 increased the various cigarette and tobacco permits. This act also created the Tobacco Control Board.

Act 1368 of 2001 provides failure to pay state and local taxes shall prevent the issuance or renewal of cigarette and tobacco permits.

Act 817 of 2007 authorizes the direct assessment of excise tax for consumers who purchase untaxed tobacco products and unstamped cigarettes.

Act 836 of 2011 creates the Tobacco Products Reporting Act to amend disclosure and enforcement of the Tobacco Products Act of 1977.

Act 1273 of 2013 changes the definition of “wholesaler”, and defines “Dealer’s License”. Removes law exempting manufacturers from the authority of the Arkansas Tobacco Control Board, and repeals record keeping rules for out of state wholesalers.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 346,968	48.60
2004	\$ 434,786	25.31
2005	\$ 429,853	(1.13)
2006	\$ 337,549	(21.47)
2007	\$ 332,539	(1.48)
2008	\$ 190,885	(42.60)
2009	\$ 168,655	(11.65)
2010	\$ 182,115	7.98
2011	\$ 179,235	(1.58)
2012	\$ 186,875	4.26
2013	\$ 205,755	10.10
2014	\$ 222,028	7.91

**Distribution of Tax:**

General Revenues

**Administered by:**

Tobacco Control Board.

**Cite:**

Arkansas Code (1987) 26-57-219; 26-57-244

### 5.3. CIGARETTE TAX

Cigarettes are subject to a tax levied at the wholesale level. Wholesale distributors collect the tax from the retail sellers, who pass this tax on to the customers. The taxes are remitted by the wholesaler to the State.

**Rate and Base:**

\$57.50 per 1,000 cigarettes (\$1.15 per package of 20 cigarettes).

**Exemptions:**

Tobacco products sold to military departments of the United States or the State of Arkansas for resale on military bases within this State and tobacco products sold and delivered to authorized purchasers outside this State for resale and to other wholesalers are not subject to this tax.

**History:**

The cigarette tax was enacted by Act 152 of 1929 at a rate of \$2.00 per 1,000 cigarettes (4¢ per package of 20 cigarettes). It has been changed as follows:

Year	Tax Per 1,000 Cigarettes	Tax per Package of 20 Cigarettes
1929	\$ 2.00	4¢
1931	\$ 2.50	5¢
1947	\$ 3.00	6¢
1949	\$ 2.00	4¢
1951	\$ 3.00	6¢
1965	\$ 4.00	8¢
1969	\$ 6.125	12.25¢
1971	\$ 8.875	17.75¢
1983	\$ 10.50	21¢
1991	\$ 11.00	22¢
1993 (FEB.)	\$ 17.25	34.5¢
1993 (JULY)	\$ 15.75	31.5¢
2003	\$ 29.50	59¢
2009	\$57.50	\$1.15

Act 399 of 1983 increased the Cigarette Tax to \$10.50 per 1,000 cigarettes sold with the provision that the border rate shall be at the rate imposed by law on cigarettes sold in the adjoining state but shall not exceed the tax imposed in Arkansas.

Act 1211 of 1991 levies an additional 50¢ per 1000 cigarettes (1¢ per pack). The first \$3,000,000 of the additional tax shall be credited to the Aging and Adult Services Fund Account to be used exclusively for transportation services for the elderly.

Act 2 of the Second Extraordinary Session of 1992 levies an additional tax of \$6.25 per 1,000 cigarettes (12.5¢/pack) beginning in February, 1993 through June 30, 1993. On July 1, 1993, the additional tax is \$4.75 per 1,000 cigarettes (9.5¢/pack).

Act 495 of 1993 allows cigarette wholesalers to deduct from the tax due bad debts that are reported for federal income tax purposes.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 1177 of 1993 reduces the border zone on cigarettes from \$0.50/1,000 to \$0.25/1,000 for certain border zone areas.

Act 434 of 1997 creates the Breast Cancer Act, and levies additional cigarette and tobacco taxes for the benefit of breast cancer research and prevention. The additional taxes are as follows:

Cigarettes – \$1.25/1,000

Other tobacco products – 2% of the manufacturer’s selling price.

The stamp deputy commission is increased in this act from 3.8% to 4.4%. (NOTE: Act 1337 specifically provides that the commission is 3.8%. These changes will not be effective for any fiscal year in which a specified minimum amount of funds have been appropriated for specific research and prevention funds. The taxes levied by this act shall not be collected during any fiscal year for which the General Assembly has appropriated at least \$800,000 from general revenues to the Breast Cancer Research Fund and at least \$3,200,000 of general revenues to the Breast Cancer Control Fund. This act also allows a 2% discount for prompt payment of tobacco products tax regardless of the status of funding the research funds.

Act 1698 of 2001 amends the additional tax on cigarettes and tobacco products to ensure funding of the breast cancer research fund.

Act 38, First Extraordinary Session of 2003 increased the cigarette tax an additional \$12.50 per thousand (25¢ per pack), effective June 1, 2003.

Act 2219 of 2005 redistributes a portion of the tax on cigarettes and tobacco products to the Arkansas Rx program and Arkansas Prostate Cancer Foundation:

- 25% Rx
- 8 1/3 Breast Cancer Control
- 8 1/3 Breast Cancer Research
- 8 1/3 Prostate Foundation

If sufficient funds exist through fees in the Rx program the distribution will be:

- 12 1/2 Breast Cancer Control
- 12 1/2 Breast Cancer Research

Act 817 of 2007 authorizes the direct assessment of excise tax for consumers who purchase untaxed tobacco products and unstamped cigarettes.

Act 1236 of 2007 transfers revenue from the Arkansas RX program to the UAMS center fund.

Act 180 of 2009 increases the cigarette tax by an additional \$28.00 per 1,000 cigarettes; levies an additional tax on tobacco products other than cigarettes at 36% of the manufacture’s selling price before discounts and deals. The commission paid to stamp deputies is not less than 3% of the total aggregate cigarette tax collected.



Act 785 of 2009 amends various Arkansas laws concerning the regulation of tobacco products.

Act 939 of 2009 establishes a forfeiture procedure for tobacco products for failure to pay full amount of excise taxes due.

Act 940 of 2009 allows a city that adjoins a border city that is separated by a river from a city in another state to sell cigarettes at the rate used by the border city.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 77,695,676	9.02
2004	\$ 119,751,544	54.13
2005	\$ 121,650,803	1.59
2006	\$ 122,828,848	0.97
2007	\$ 122,067,923	(0.62)
2008	\$ 119,791,825	(1.86)
2009	\$ 138,427,058	15.56
2010	\$ 195,244,191	41.04
2011	\$ 188,973,317	(3.21)
2012	\$ 188,567,761	(0.21)
2013	\$ 178,559,354	(5.31)
2014	\$ 169,082,718	(5.31)

**Distribution of Tax:**

General Revenues

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 26-57-208; 26-57-244

# Chapter 6 - Highway User Taxes and Fees

## 6.1. ALTERNATE FUELS TAX

Alternate fuels are subject to a gallonage tax with the tax rate being determined by the number of motor vehicles that use alternate fuels.

**Rate and Base:**

No. of Motor Vehicles Licensed Utilizing Alternate Fuel	Tax Rate Per Equivalent Gallon
0 - 999	\$0.050
1,000 - 1,499	\$0.085
1,500 - 1,999	\$0.105
2,000 - 2,499	\$0.125
2,500 - 2,999	\$0.145
3000 & Over	\$0.165

**Exemptions:**

1. Sales to the United States Government.
2. Alternate fuels imported into the state in fuel supply tanks, including any additional containers of motor vehicles being used solely for non-commercial purposes; if the aggregate of the fuel tanks does not exceed 30 equivalent gallons.
3. Fuels subject to taxes levied by the Motor Fuel Tax Law or the Special Motor Fuels Tax Law.

**History:**

The alternate fuels tax was authorized by Act 1119 of 1993.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
--	--	--

**Distribution of Tax:**

Special Revenues: 15% to cities, 15% to counties, and 70% to the Highway Department Fund.

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 26-62-201

## 6.2. COMMERCIAL DRIVER'S LICENSE FEE

No person shall operate a commercial vehicle with a gross vehicle weight rating of 26,001 pounds or more, or a commercial vehicle designed to carry 16 passengers or more, or a vehicle transporting hazardous materials, without first obtaining a Commercial Driver's License.

**Rate and Base:**

1. Commercial Driver's License: .....\$41 for 4 years
2. Commercial Driver Instruction Permit: ... No charge
3. Examination Fee: .....\$50
4. Temporary Permit: .....\$10

**Exemptions:**

None

**History:**

Act 241 of 1989 authorizes the issuance of the Commercial Driver's License and provides for the disposition of fees therein.

Act 702 of 1989 provides for a temporary permit for persons who must be retested or whose license has expired as provided for in the Arkansas Commercial Driver's License Act. The permit is good for 60 days, and all permits expire on March 31, 1992.

Act 9 of the 3rd Extraordinary Session of 1989 provides that individuals may apply for a Commercial Driver's License to be restricted to the driving of a school bus and only pay the non-commercial driver's license fee.

Act 164 of 1991 allows a person who drives a church bus to apply for a restricted commercial drivers license to drive only church buses. The fee for the restricted license is \$26.

Act 852 of 1991 allows a person who drives a non-profit daycare bus to apply for a restricted commercial drivers license to drive only daycare buses. The fee for the restricted license is \$26.

Act 1042 of 1991 reduces the application fee for the commercial drivers license to \$41 beginning July 1, 1992.

**Revenues Generated:**

**Commercial Driver's License Fees**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 627,587	(6.66)
2004	\$ 674,836	7.53
2005	\$ 633,421	(6.14)
2006	\$ 681,131	7.53
2007	\$ 663,164	(2.64)
2008	\$ 726,679	9.58
2009	\$ 676,669	(6.88)
2010	\$ 755,755	11.69
2011	\$ 718,065	(4.99)
2012	\$ 714,261	(0.53)
2013	\$ 667,299	(6.57)
2014	\$ 739,750	10.86

**Commercial Driver's License Examination Fees**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 423,032	(12.70)
2004	\$ 460,646	8.89
2005	\$ 622,840	35.21
2006	\$ 728,115	16.90
2007	\$ 704,501	(3.24)
2008	\$ 693,976	(1.49)
2009	\$ 593,454	(14.48)
2010	\$ 529,438	(10.79)
2011	\$ 555,843	4.99
2012	\$ 608,554	9.48
2013	\$ 600,920	(1.25)
2014	\$ 642,188	6.87

**Commercial Driver's License Search Fees**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,430,850	4.58
2004	\$ 1,449,157	1.28
2005	\$ 1,548,719	6.87
2006	\$ 1,492,100	(3.66)
2007	\$ 1,763,618	18.20
2008	\$ 1,822,822	3.36
2009	\$ 1,736,512	(4.73)
2010	\$ 1,723,914	(0.73)
2011	\$ 1,670,285	(3.11)
2012	\$ 1,570,134	(6.00)
2013	\$ 1,875,742	19.46
2014	\$ 1,632,458	(12.97)

**Distribution of Tax:**

\$41 Fee: \$20 is credited to the Department of Finance and Administration's Commercial Driver's License Fund; \$20 is credited to the State Police Fund; \$1 is credited to the State's Central Services Fund. A \$50 Examination Fee is credited to the State Police Fund. A \$10 Temporary Permit fee is credited to the State Police Fund.

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 27-23-101 et seq.

### **6.3. LARGE TRUCK SPEEDING FINES**

Any vehicle with a registered gross weight of at least twenty thousand pounds operating at five miles over the posted speed limit shall be fined.

#### **Rate and Base:**

An additional \$50 per each mile per hour in excess of five (5) miles per hour over the posted or legal speed limit.

#### **History:**

Act 1345 of 1999 allows courts levying and collecting the fines may retain two percent as a collection fee and remitting the balance to the Treasure of State. Provides an additional penalty for large trucks exceeding the legal speed limit.

#### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 586,054	(14.40)
2004	\$ 526,335	(10.19)
2005	\$ 407,837	(22.51)
2006	\$ 472,831	15.94
2007	\$ 439,125	(7.13)
2008	\$ 383,939	(12.57)
2009	\$ 243,818	(36.50)
2010	\$ 180,752	(25.87)
2011	\$ 113,237	(37.35)
2012	\$ 152,851	34.98
2013	\$ 151,028	(1.19)
2014	\$ 149,897	(0.75)

#### **Distribution of Tax:**

2% Court fee; 98% General Revenue

#### **Administered by:**

Administrative Office of the Courts

#### **Cite:**

Arkansas Code 27-50-311

## 6.4. DRIVER'S LICENSE

The Office of Driver Services of the Revenue Services Division of the Department of Finance and Administration is charged with the responsibility for the administration and issuance of motor vehicle driver's licenses.

### Rate and Base:

\$20 per four-year permit

### History:

Act 280 of 1937 enactment

Act 274 of 1987 provided the option of converting a person's social security number to be utilized as a driver's license number.

Act 193 of 1989 provided options toward expiration dates.

Act 1500 of 2001 increased the rate by \$6 (to a total of \$20) and provides that the additional revenue be utilized to fund health insurance premiums for uniformed employees of the Arkansas State Police.

Act 836 of 2003 eliminates provisions allowing the use of a person's social security number as a drivers license number.

Act 1001 of 2003 increased the fees for the reinstatement of drivers licenses. The additional funds are special revenues to fund the Arkansas State Police. The reinstatement fee associated with any DUI violation is hereby increased from \$75 to \$150. Reinstatement associated with any other suspension, revocation or cancellation is increased to \$100.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 6,055,088	5.20
2004	\$ 5,658,420	(6.55)
2005	\$ 6,561,495	15.96
2006	\$ 4,879,219	(25.64)
2007	\$ 5,075,438	4.02
2008	\$ 4,482,073	(11.69)
2009	\$ 4,652,219	3.80
2010	\$ 4,483,161	(3.63)
2011	\$ 4,601,770	2.65
2012	\$ 4,908,200	6.66
2013	\$ 4,980,825	1.48
2014	\$ 5,152,779	3.47

### Distribution of Tax:

Special Revenues deposited into the Department of Arkansas State Police Fund.

### Administered by:

Department of Finance and Administration - Revenue Services Division - Office of Driver Services

### Cite:

Arkansas Code (1987) 27-16-801

## 6.5. DISTILLATE SPECIAL MOTOR FUELS TAX

Distillate Special Fuels are subject to a gallonage tax levied on suppliers who collect the tax from dealers or users. The Commissioner of Revenues collects the tax and remits it to the State Treasury.

### Rate and Base:

22.5¢ per gallon

### Exemptions:

1. Intra-distributor sales or transfers;
2. Distributors export sales or sales for export;
3. Purchases by United States Government Agencies;
4. Airplane fuels;
5. Agricultural use on highway;
6. Municipal transit buses;
7. 30-gallons imported in fuel supply tanks.

### History:

Distillate Special Motor Fuels were taxed as motor fuel (gasoline) until Act 383 of 1941, but even then were taxed at the same rate as gasoline. It was not until Act 40 of the First Extraordinary Session of 1965, the "Special Motor Fuels Tax Law," was enacted that distillate special motor fuels were taxed at a different rate from gasoline.

Act 112 of 1985 removed the Distillate Special Fuels exemption on Dieselhol.

Act 456 of 1985 increased the Distillate Special Motor Fuel Tax by 2¢ per gallon.

Act 996 of 1985 increased to 100% the amount of revenues credited to the State Highway Special Construction Account, up to a maximum of \$13,000,000 in each year.

Act 219 of 1991 levies an additional excise tax of 4¢ per gallon on distillate special motor fuels (diesel). The Act also repealed the weight distance tax.

Act 364 & 382 of 1991 levies an additional excise tax of 2¢ per gallon on distillate special motor fuels (diesel).

Act 954 of 1995 provides that by July 1, 1997, all reports and tax remittance shall be done by electronic funds transfer.

Act 1006 of 1995 would increase the diesel tax by 5 cents per gallon if approved by the voters. The revenue would be used in partial repayment of general obligation bonds for highway construction.

Act 1028 of 1999 increases the tax on distillate special fuels (diesel) by 2 cents per gallon on 4-1-99 and by another 2 cents on 4-1-2000. If the voters approve the bond issue provided on the Arkansas Highway Financing Act of 1999, this increase in distillate special fuel tax will be used to pay the bonds, if not approved the increase will be distributed to the Highway Dept. and local governments as other motor fuel taxes. The Act also increases and phases out the limit of State Highway Special Construction Account transfers to the State

Aid Road Fund. Subsequently, voters approved the bond issue.

Act 208 of 2003 allows counties to use these funds for local projects eligible for funding under state and federal highway agencies.

Act 1058 of 2011 deposits the first \$4,000,000 of the 8½¢ tax on distillate special fuels, to general revenues.

Act 1010 of 2013 codifies Amendment 91 distribution of 1¢ per gallon to the State Aid Street Fund.

### Tax Rate Changes:

Year	Tax Rate
1941	6.5¢
1965 SS	8.5¢
1973	9.5¢
1979	10.5¢
1985	12.5¢
1991	18.5¢
1999	20.5¢
2000	22.5¢

### Revenues Generated:

Revenues derived from the Distillate Special Motor Fuels Tax are included in the Revenues Generated section of Motor Fuel Tax.

### Distribution of Tax:

Special Revenues - 15% to Cities; 15% to Counties; 70% to Highway Department Fund. 1973

1973 Additional Motor Fuel Tax (1¢ per gal.) - Net revenues credited to "State Highway Special Construction Account." 100% of the revenues credited to the State Highway Special Construction Account are transferred to the "State Aid Road Fund" up to the following amount limits for each fiscal year: 13 million through FY 99-00, 15 million for FY 00-01, 17 million for FY 01-02, 19 million for FY 02-03, no transfer limit beginning FY 03-04 (Act 1028 of 1999). Amendment 91 – additional 1¢ per gallon to the State Aid Street Fund.

2011 Semi-Trailer Exemption – of the first \$4,000,000 of the 8½¢ tax, deposit to general revenues as follows: 75% General Revenue, 14.6% Educational Adequacy, 8.3% Property Tax Relief Trust Fund, and 2.1% to Conservation Tax Fund.

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 26-56-201; 26-56-502; 26-56-601; 27-70-104; 27-70-206; 27-70-207; 27-72-305

## 6.6. DRIVER'S SEARCH FEE

The Office of Driver Services of the Revenue Services Division of the Department of Finance and Administration is charged with the responsibility to maintain a central driver records file on every driver who receives a conviction for a moving traffic violation. When a search is made for a driver's records, a fee is charged and remitted to the State Treasury by the Revenue Commission.

### Rate and Base:

1. \$7 for Personal License
2. \$10 for driver's search for Commercial Driver's License

### Exemptions:

Reports of drivers' records to all courts, law enforcement agencies and governmental agencies

### History:

The Driver's Search Fees were enacted by Act 465 of 1977.

Act 241 of 1989 increased the Driver's Search Fee to \$7 for all licenses except Commercial Drivers' Licenses. This Act imposes a \$10 search fee for Commercial Drivers' Licenses.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 7,559,974	3.63
2004	\$ 7,541,062	(0.25)
2005	\$ 8,098,838	7.40
2006	\$ 7,685,867	(5.10)
2007	\$ 8,958,660	16.56
2008	\$ 8,953,459	(0.06)
2009	\$ 8,494,546	(5.13)
2010	\$ 8,448,753	(0.54)
2011	\$ 7,597,018	(10.08)
2012	\$ 6,802,006	(10.46)
2013	\$ 8,441,892	24.11
2014	\$ 7,678,428	(9.04)

### Distribution of Tax:

\$10 fee: \$4 credited to the Commercial Driver License Fund; \$6 to Special Revenues - 70% to State Highway Fund, 15% to County Aid Fund and 15% to Municipal Aid Fund

\$7 fee: \$1 credited to the Commercial Driver License Fund; \$6 to Special Revenues - 70% to State Highway Fund, 15% to County Aid Fund and 15% to Municipal Aid Fund

### Administered by:

Department of Finance and Administration - Revenue Services Division - Office of Driver Services

### Cite:

Arkansas Code (1987) 27-23-117

## 6.7. LIQUEFIED GAS SPECIAL FUELS

Liquefied Gas Special Fuel is subject to a gallonage tax levied on the supplier who collects the tax from the retailer who passes the tax on to the user. In lieu of the gallonage tax, persons using Liquefied Gas Special Fuel in a motor vehicle must obtain a Liquefied Gas Special Fuel Users Permit.

### Rate and Base:

16.5¢ per gallon

### Exemptions:

Sales to the United States Government; Persons operating a motor vehicle upon which a Liquefied Gas Special Fuel Users Permit has been issued; home use.

### History:

Act 40 of the 1st Extraordinary Session of 1965 imposed an excise tax of 7.5¢/gallon on Liquefied Gas Special Fuel. This Act also established the following permit schedule for vehicles using Liquefied Gas Special Fuel.

#### Non-Farm Vehicles

1. Passenger cars .....\$ 64.00
2. Pickup trucks, ½ and ¾ quarter tons .....\$ 77.00
3. Trucks, maximum gross loaded weight in excess of ¾ ton but not exceeding 22,500 pounds.....\$200.00
4. Passenger buses (except school buses), manufactured and licensed as such .....\$200.00
5. School buses manufactured and licensed as such\$100.00
6. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$234.00

#### Farm Vehicles

1. Pickup trucks, ½ and ¾ ton.....\$ 50.00
2. Trucks, maximum gross loaded weight in excess of ¾ ton but not exceeding 22,500 pounds ..... \$ 70.00
3. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$100.00

Act 445 of 1973 imposed the following additional fees upon Liquefied Gas special Fuel users:

#### Non-Farm Vehicles

1. Passenger cars .....\$ 11.00
2. Pickup trucks, ½ and ¾ quarter tons .....\$ 13.00
3. Trucks, maximum gross loaded weight in excess of ¾ ton but not exceeding 22,500 pounds .....\$ 36.00
4. Passenger buses (except school buses), manufactured and licensed as such .....\$ 36.00
5. School buses manufactured and licensed as such \$ 18.00
6. Trucks, maximum gross loaded weight in excess of 22,500 pounds .....\$ 42.00

#### Farm Vehicles

1. Pickup trucks, ½ and ¾ ton.....\$ 59.00
2. Trucks, maximum gross loaded weight in excess of ¾ ton but not exceeding 22,500 pounds .....\$ 12.00

3. Trucks, maximum gross loaded weight in excess of 22,500 pounds .....\$ 18.00

Act 789 of 1981 amended the fee schedule imposed by Act 40 of the 1st Extraordinary Session of 1965 and repealed Act 445 of 1973.

#### Non-Farm Vehicles

1. Passenger cars and motor homes .....\$ 75.00
2. Pickup trucks, ½ and ¾ quarter tons.....\$ 90.00
3. Pickup trucks, one ton .....\$115.00
4. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds .....\$236.00
5. Passenger buses (except school buses), manufactured and licensed as such .....\$236.00
6. School buses manufactured and licensed as such \$118.00
7. Trucks, maximum gross loaded weight in excess of 22,500 pounds .....\$276.00

#### Farm Vehicles

1. Pickup trucks, ½ and ¾ ton.....\$ 59.00
2. Pickup trucks, one ton .....\$ 70.00
3. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds .....\$ 82.00
4. Trucks, maximum gross loaded weight in excess of 22,500 pounds .....\$118.00

Act 456 of 1985 increased the Liquefied Gas Special Fuels Tax by 4¢/gallon and imposed the following fees in addition to those imposed by Act 445 of 1981:

#### Non-Farm Vehicles

1. Passenger cars and motor homes .....\$ 44.00
2. Pickup trucks, ½ and ¾ quarter tons.....\$ 52.00
3. Pickup trucks, one ton .....\$ 68.00
4. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds .....\$144.00
5. Passenger buses (except school buses), manufactured and licensed as such .....\$144.00
6. School buses manufactured and licensed as such . \$ 72.00
7. Trucks, maximum gross loaded weight in excess of 22,500 pounds .....\$168.00

#### Farm Vehicles

1. Pickup trucks, ½ and ¾ ton.....\$ 36.00
2. Pickup trucks, one ton .....\$ 44.00
3. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds .....\$ 48.00
4. Trucks, maximum gross loaded weight in excess of 22,500 pounds .....\$ 72.00

Act 364 and 382 of 1991 levies an additional excise tax of 5¢ per gallon on liquefied gas special fuels and increases the annual fees for vehicles using liquefied gas special fuels. The Acts also repeal Act 456 of 1985.

#### Non-Farm Vehicles

1. Passenger cars and motor homes .....\$164.00
2. Pickup trucks, ½ and ¾ quarter tons.....\$195.00



3. Pickup trucks, one ton.....\$251.00
4. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds .....\$520.00
5. Passenger buses (except school buses), manufactured and licensed as such .....\$520.00
6. School buses manufactured and licensed as such \$260.00
7. Trucks, maximum grossloaded weight in excess of 22,500 pounds .....\$609.00

Farm Vehicles

1. Pickup trucks, ½ and ¾ ton.....\$130.00
2. Pickup trucks, one ton.....\$156.00
3. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds .....\$178.00
4. Trucks, maximum gross loaded weight in excess of 22,500 pounds .....\$260.00

**Revenues Generated:**

(See Motor Fuel Tax)

**Distribution of Tax:**

15% County Aid Fund

15% Municipal Aid Fund

70% State Highway Department Fund

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 26-56-301; 26-56-502; 26-56-304

## 6.8. MOTOR FUEL TAX

Motor fuel is subject to a gallonage tax levied on the distributor who collects the tax from the retailer who passes it on to the user. The distributor remits the tax to the Commissioner of Revenue, who deposits the money in the State Treasury.

**Rate and Base:**

21.5¢ per gallon

**Exemptions:**

1. The sale of motor fuel by a duly licensed distributor who has first received such motor fuel into this State to another duly licensed distributor in this State; provided that any such sale must be reported to the Commissioner of Revenues within 48 hours after such sale, unless, upon proper application, the Commissioner of Revenues shall have granted permission to such distributor to make such reports within a longer period of time.
2. The sale of motor fuel by a duly licensed distributor for export from the State of Arkansas to any other state or territory or to any foreign country, or the export of motor fuel by a duly licensed distributor from the State of Arkansas to any other state or territory or to any foreign country, provided that satisfactory proof of actual exportation of all such motor fuel is furnished at the time and in the manner prescribed by the Commissioner of Revenues.
3. The sale of motor fuel to United States Government Agencies for use in official U.S. Government vehicles.
4. The sale of motor fuel for use in propelling airplanes, provided satisfactory proof is furnished in the manner prescribed by the Commissioner of Revenues that the motor fuel is to be used in the propelling of airplanes.

**History:**

The Motor Fuel Tax was enacted by Act 606 of 1921 at the rate of 1¢ per gallon. It has been changed as follows:

Year	Tax Per Gallon
1921	1¢
1923	3¢
1923 SS	4¢
1927	5¢
1931	6¢
1965 SS	7.5¢
1973	8.5¢
1979	9.5¢
1985	13.5¢
1991	18.5¢
1999	19.5¢
2000	20.5¢
2001	21.5¢

Act 112 of 1985 removed the motor fuel tax exemption on gasohol, effective May 30, 1985.

Act 456 of 1985 increased the motor fuel tax by 4¢ per gallon.

Act 996 of 1985 increased to 100% the amount of revenues credited to the State Highway Special Construction Account up to a maximum of \$13 million each year.

Act 364 and 382 of 1991 levies an additional excise tax of 5¢ per gallon on motor fuel.

Act 688 of 1991 provides for a penalty of \$50 for failure to file a timely tax report after the taxpayer has been notified that he has failed to file the reports.

Act 945 of 1995 provides that by July 1, 1997, all fuel reports and tax remittance shall be done by electronic funds transfer.

Act 1005 of 1995 would levy a 6.5% wholesale excise tax on the gross receipts derived from the sale of motor fuel. The monies are to partially pay the general obligation bonds for highway construction. The tax shall not become effective unless the issuance of the general obligation bonds is approved by the voters.

Act 727 of 1997 permits cities bordering on Arkansas state line which is located in the center of the Mississippi River to meet the qualifications of a “border city” for the purpose of motor fuel tax rates.

Act 1028 of 1999 increases the tax on motor fuel by 1 cent on 7-1-99, 1 cent on 7-1-00, and by another cent on 7-1-01 for a total 3 cents increase per gallon.

Act 419 of 2001 provides a refund for the purchase of distillate special fuels and motor fuels by fire departments.

Act 777 of 2001 eliminates the requirement that sellers of dyed diesel fuel identified each purchaser in monthly motor fuel tax report.

Act 1035 of 2001 provides that leaded gasoline or methanol used for fueling automobiles used for racing is not defined as motor fuel.

Act 1498 of 2001 broadens the border tax rate on motor fuel to include all territory included within the limits of such city, incorporated town or planned community on July 1, 2001, and shall not apply to territory added or annexed.

Act 208 of 2003 allows counties to use these funds for local projects eligible for highway funding under state and federal highway agencies.

Act 2223 of 2005 permits persons engaged in selling diesel fuel or liquefied gas at wholesale to obtain a refund of motor fuel taxes paid up to 50¢ per gallon used to produce biodiesel mixture.

Act 1010 of 2013 codifies Amendment 91 distribution of 1¢ per gallon to the State Aid Street Fund.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount (1)	1973 Add'l Motor Fuel Tax (2)
2003	\$ 402,444,997	\$ 20,227,635
2004	\$ 416,025,537	\$ 20,852,458
2005	\$ 404,104,597	\$ 20,674,901
2006	\$ 419,853,219	\$ 20,954,982
2007	\$ 414,427,975	\$ 21,273,122
2008	\$ 411,042,015	\$ 21,039,810
2009	\$ 420,211,436	\$ 20,368,569
2010	\$ 425,049,895	\$ 21,114,206
2011	\$ 426,038,882	\$ 20,220,244
2012	\$ 424,392,878	\$ 20,079,441
2013	\$ 393,456,883	\$ 19,690,828
2014	\$ 393,087,983	\$ 19,538,754

**Distribution of Tax:**

1. Special Revenues - 15% to Cities; 15% to counties; 70% Highway Department Fund
2. 1973 Additional Motor Fuel Tax (1¢ per gallon) - Net revenues are credited to "State Highway Special Construction Account." 100% of the revenues credited to the State Highway Special Construction Account are transferred to the "State Aid Road Fund" up to the following amount limits for each fiscal year: \$13 million through FY 99-00, \$15 million of FY 00-01, \$17 million for FY 01-02, \$19 million for FY 02-03, no transfer limit beginning FY 03-04 (Act 1028 of 1999). Amendment 91 – additional 1¢ per gallon to the State Aid Street Fund.
3. Of Distillate Special Motor Fuels Tax deposit the first \$4,000,000 to general revenues as follows: 75% General Revenue, 14.6% Educational Adequacy, 8.3% Property Tax Relief Trust Fund, and 2.1% to Conservation Tax Fund.

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 26-55-205; 26-56-502; 27-70-207; 27-70-104; 27-72-305

## **6.9. MOTOR VEHICLE COMMISSION FEES**

Act 388 of 1975 established the Arkansas Motor Vehicle Commission to regulate and license motor vehicles manufacturers, factory branches and divisions, distributors, distributor branches and divisions, distributor representatives, wholesalers and wholesaler branches and divisions, dealers and salesmen doing business in the State of Arkansas. The Commission collects the license fees and deposits them in the State Treasury.

### **Rate and Base:**

1. For each manufacturer, distributor, factory branch and division or distributor branch and division, second-stage manufacturer, importer, and converter, \$900.
2. For each motor vehicle dealer or motor vehicle lessor, \$100.
3. For each manufacturer, distributor or factory representative, \$400.
4. For each motor vehicle salesperson, \$15.
5. For each branch location, \$25.
6. For each replacement certificate of license, \$10.

### **Exemptions:**

None

### **History:**

The Motor Vehicle Commission fees were established by Act 388 of 1975.

Act 850 of 1989 transferred the regulatory authority over used car dealers from the Motor Vehicle Commission to the Revenue Services Division. Used car dealers must post a \$25,000 bond with the Revenue Department.

Act 568 of 1995 increased various license fees collected by the Motor Vehicle Commission.

Act 1154 of 1997 permits reciprocity with Motor Vehicle Commissions or their equivalent in other states.

Act 1053 of 2001 amends various sections of the Motor Vehicle Commission Act by changing definitions and including all-terrain vehicles and motor cycles to be regulated.

Act 561 of 2013 amends sections of the Arkansas Motor Vehicle Act, includes "low speed vehicle".

### **Revenues Generated:**

Fiscal Year		
Ending June 30	Amount	%Change
2003	\$ 282,138	(55.35)
2004	\$ 574,643	103.67
2005	\$ 660,455	14.93
2006	\$ 679,587	2.90
2007	\$ 664,627	(2.20)
2008	\$ 650,202	(2.17)
2009	\$ 631,559	(2.87)
2010	\$ 481,634	(23.74)
2011	\$ 488,227	1.37
2012	\$ 504,250	3.28
2013	\$ 515,965	2.32
2014	\$ 521,147	1.00

### **Distribution of Tax:**

Special Revenues for credit to the Motor Vehicle Commission Fund

### **Administered by:**

Arkansas Motor Vehicle Commission

### **Cite:**

Arkansas Code (1987) 23-112-303; 23-112-305

## 6.10. MOTOR VEHICLE IN TRANSIT FEES

Motor vehicles and trailers in the course of delivery from a manufacturer to a dealer or from one dealer to another without a license plate may purchase a placard or plate bearing the words "In Transit" from the Commissioner of Revenues, who deposits the funds in the State Treasury.

**Rate and Base:**

\$3 for one trip, not exceeding 48 hours, or \$30 for an annual fee

**Exemptions:**

None

**History:**

Act 183 of 1935 imposed "In Transit" fees at the rate of \$1.50 for one trip not exceeding 48 hours.

Act 65 of 1959 increased the fee to \$3.00 and added the provision for the \$30 annual fee.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 480	70.21
2004	\$ 222	(53.75)
2005	\$ 177	(20.27)
2006	\$ 141	(20.34)
2007	\$ 90	(36.17)
2008	\$ 81	(10.00)
2009	\$ 78	(3.70)
2010	\$ 195	150.00
2011	\$ 60	(69.23)
2012	\$ 102	70.00
2013	\$ 75	(26.47)
2014	\$ 36	(52.00)

**Distribution of Tax:**

Special Revenues for credit to the State Police Fund

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 27-14-1805; 27-14-1806

## 6.11. MOTOR VEHICLE OPERATORS LICENSE

No person may drive a motor vehicle upon a highway in this State unless such person has a license issued by the Commissioner of Revenues, who collects the license fees and deposits them in the State Treasury.

### Rate and Base:

1. Operators license .....\$20 for a 4-year period.
2. Motorcycle license.....\$20 for a 4-year period.
3. Motorscooter license.....\$ 9 for a 2-year period.

### Exemptions:

1. A person operating a vehicle in the armed services of the United States.
2. A person operating any road machine, farm tractor or implement of husbandry.
3. A nonresident who has a license issued to him in his home state.
4. A nonresident who has a chauffeurs license issued to him in his home state.
5. A nonresident whose home state or country does not require a license may operate a vehicle for 90 days.

### History:

Annual Fees:

Period	Drivers
1923-1934	--
1935-1936	\$ 0.50
1937-1938	\$ 0.35
1939-1946	\$0.50
1947-1956	\$1.00
1957-1968	\$2.00
1969-1977	\$3.00
1978-1989	\$7.00
1989	\$12.00
2001	\$20.00

Act 817 of 1985 changed the distribution of Motor Vehicle Operators, Chauffeurs License, Motorcycle and Motor Scooter Fees. All fees are deposited as "pledged revenue" credited to the Department of Arkansas State Police Communications Equipment Lease Fund.

Act 274 of 1987 provides that between July 1, 1987 and July 1, 1991, an additional 25¢ shall be charged on each application or renewal of any Motor Vehicle Operators or Chauffeur's License. Of the fees collected, the first \$150,000 shall be deposited in the Constitutional and Fiscal Agencies Fund to be used to cover the cost of converting driver's license numbers to Social Security numbers. Any revenue in excess of \$150,000 shall be distributed in the manner provided by law.

Act 621 of 1989 provides that the Office of Driver Services shall charge a \$25 fee for reinstating an operator's license suspended due to a conviction of a DWI offense. Of the \$25

fee, 40% is to be deposited as special revenue credited to the Public Health Fund to be used exclusively for the Department of Health - Blood Alcohol Program. (Also see Health Department Fees.)

Act 241 of 1989 provides that all drivers' licenses shall be issued for a period of four (4) years.

Act 782 of 1991 establishes a drivers license exam fee of \$5 for each exam up to 3 subsequent exams are at no cost. The fee is deposited in the State Police Fund.

Act 413 of 1995 provides that persons with a valid drivers license issued by another state may obtain an Arkansas license by paying a transfer fee of \$5, instead of taking the written drivers exam.

Act 1500 of 2001 increased the rate by \$6 (to a total of \$20) and provides that the additional revenue be utilized to fund health insurance premiums for uniformed employees of the Arkansas State Police.

Act 836 of 2003 eliminates provisions allowing the use of a person's social security number as a drivers license number.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 8,508,248	0.00
2004	\$ 8,704,499	2.31
2005	\$ 9,623,439	10.56
2006	\$ 9,838,080	2.23
2007	\$ 9,724,192	(1.26)
2008	\$ 9,500,689	(2.30)
2009	\$ 9,769,776	2.83
2010	\$ 9,610,516	(1.63)
2011	\$ 9,663,235	0.55
2012	\$ 9,741,280	0.81
2013	\$ 9,981,897	2.47
2014	\$10,097,825	1.16

### Distribution of Tax:

Pledged revenues for credit to the Department of Arkansas State Police Communications Equipment Lease Fund and the Uniformed Employee Health Insurance Program.

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 27-16-801

## 6.12. MOTOR VEHICLE REGISTRATION AND LICENSE FEES

All automobiles and all classes of trucks equipped with pneumatic tires are required to be registered and licensed by the Commissioner of Revenues, who collects the fees from the owners and remits the moneys to the State Treasurer.

### Rate and Base:

1. Pleasure Vehicles and Automobiles for Hire
  - a. Automobiles of 3,000 lbs. or less ..... \$17
  - b. Automobiles of 3,001 lbs. to 4,500 lbs. .... \$25
  - c. Automobiles of 4,501 lbs. and over ..... \$30
2. Trucks and Trailers
  - a. Class One - Trucks of a load capacity of ½ ton to ¾ ton - \$21;
  - b. Class Two - Gross loaded weight of between 6,001 lbs. and 20,000 lbs. - \$6.50 per thousand lbs. of gross loaded weight;
  - c. Class three - Gross loaded weight of between 20,001 lbs. and 40,000 lbs. - ..... \$8.45 per thousand lbs. of gross loaded weight;
  - d. Class Four - Gross loaded weight of between 40,001 lbs. and 56,000 lbs. - \$11.50 per thousand lbs. of gross loaded weight;
  - e. Class Five - Gross loaded weight of between 56,001 lbs. and 60,000 lbs. - \$12.35 per thousand lbs. of gross loaded weight;
  - f. Class Six - Gross loaded weight of between 60,001 lbs. and 68,000 lbs. - \$13.65 per thousand lbs. of gross loaded weight.
  - g. Class Seven - Gross loaded weight of between 68,001 lbs. and 73,280 lbs. - \$14.30 per thousand lbs. of gross loaded weight. All vehicles between 73,281 and 80,000 lbs. - \$1,350.00.
  - h. Class Eight - Special Natural Resources and farm vehicles shall be charged an annual license ..... fee as follows:
    - 1) Two axles - \$3.90 per thousand lbs. of gross loaded weight with a minimum fee of \$32.50 and a maximum fee of \$65.00;
    - 2) Three axles - a fee of \$ 97.50;
    - 3) Four axles - a fee of \$130.00;
    - 4) Five axles - a fee of \$162.50;
    - 5) Five-axled vehicles used exclusively by the owner of livestock and poultry in hauling animal feed - a fee of \$650.
  - i. Class Nine
    - 1) Trailers drawn by automobiles and class one trucks and all boat trailers and travel trailers drawn by a one ton or less truck, \$21 every three years. If acquired on or after January 1, 2002, a permanent registration is required, \$36;

- 2) All semi-trailers used in combination with Class 2 through Class 8 trucks, \$20.00; or \$65.00 for permanent registration;
- 3) Full trailers used to transport farm products and other natural resources, \$8.00;
- 4) All other full trailers shall be charged an annual license fee based on the gross loaded weight of the vehicle at the appropriate rates provided by Class 2 through Class 7 of Subsection of this Section.

### Motorcycles

1. Motorcycles .....\$ 6.50
2. Motorbikes.....\$ 3.25
3. Motorcycle sidecars .....\$ 1.95

### Hearse and Ambulances

- \$45.50 per annum
- NOTE: In addition to the registration fees an additional fee of \$2.50 is levied.

### Dealers

- Master license plate for each separate place of business \$100
- Dealers extra license plate \$25

### Special Personalized License Plates for Passenger Cars/Motorcycles

- Annual fee of \$25 in addition to regular fees

### Special Numbered License Plates

- Annual fee of \$5 in addition to regular fees

### Historic Vehicle, 25 Years Old or More

- \$7 for each vehicle

### Antique Motorcycle, 25 Years Old or More

- \$5 each

### Motor Buses, Operated on Designated Streets Under Franchise

- \$20 for each bus

### Pearl Harbor Survivor Plates

- \$15 additional fee

### Farm to Market Buses

- \$130 for each bus

### 3 & 4-Wheeled All-Terrain Cycles

- \$5.00

### **Exemptions:**

Motor vehicles of counties, cities, towns, Highway Department, U.S. Government, Disabled American Veterans, Congressional Medal of Honor Recipients, Prisoners of War, Veterans confined to a wheelchair, Orphanages, Boy Scout Vehicles, Boys Clubs, Girls Clubs, 4-H Clubs, Church Vehicles and vehicles used for life saving, first aid and rescue work.

## History:

A State Highway Commission was created by Act 302 of 1913 with the Commissioner of State Lands as Chairman, who appointed a State Highway Engineer subject to the approval of the State Highway Commission of three members.

Act 65 of 1929 separated the State Highway Department from the office known as the Department of State Lands, Highways and Improvements, and created the Highway Commission as a separate body composed of five members, one from each of the four agricultural school districts and one from the State at large.

Act 3 of 1933 repealed Act 65 of 1929 and created a new Highway Commission to be composed of five members.

Act 318 of 1935 provided for seven Highway Commission members, one from each Congressional District.

Act 42 of 1945 provided for 10 Highway Commission members, one from each of the 10 maintenance districts.

Act 239 of 1949 provided for 12 Highway Commission members, one from each of the 10 maintenance districts and two from the State at large.

Constitutional Amendment 42, which became effective in 1953, provided for five Highway Commission members to be appointed from the State at large, with the provision that no two members be appointed from any single Congressional District. Authority, function, operation, responsibility and duty to the State Highway Commission and the Director of Highways are set forth in Act 123 of 1953.

Act 192 of 1977, effective February 17, 1977, changed the name of the Arkansas State Highway Department to the Arkansas State Highway and Transportation Department. The purpose of this Act is to effectuate the transportation policy by preparing and coordinating a comprehensive, balanced, multi-model transportation plan for the State, including airways, highways, railways, waterways, bicycling, mass transit and other transportation facilities, whether public or privately owned, developed, operated or maintained.

Act 872 of 1983 provided for the registration of all 3 and 4-wheeled all-terrain cycles. The registration fee is \$5.00, no renewal required.

Act 883 of 1987 provides for the issuance of "Pearl Harbor Survivor Plates" at the regular fee plus \$15.

Act 31 of 1989 provides for the issuance of personalized license plates for motorcycles. The fee is the same as for automobiles.

Act 103 of 1989 provides for the permanent registration of commercial semitrailers at a fee of \$65.

Act 250 of 1989 provides that the registration of motorcycles and motor-driven cycles shall expire on June 30 each year, and the registration shall be renewed between June 1 and July 31 of each year.

Act 278 of 1989 provides for the permanent registration of motor vehicles owned by a county, city or town so long as the vehicle is owned by the county, city or town.

Act 343 of 1989 provides for the free issuance of a special permanent Purple Heart License plate to any Arkansas resident who was awarded the Purple Heart. Any person desiring more than one plate may receive extra plates for a fee of \$10 plus the regular registration fee.

Act 31 of 1991 authorizes retired members of the National Guard to qualify for special license plates like other retired military members upon payment of a regular license fee plus \$1.50.

Act 96 of 1991 eliminates the distinction between bumper hitch and gooseneck trailers. Creates new registration for all trailers drawn by automobiles and class one trucks. Sets fee at \$7.00.

Act 219 of 1991 repeals the weight distance tax and increases the registration fee to \$1,350 on vehicles with a declared gross weight between 73,281 pounds to 80,000 pounds. The registration fee increases to \$20 on trailers used with class 2 thru 8 trucks. Also, trailers used with class 2 thru 8 trucks may be issued a permanent registration for \$65.

Act 372 of 1991 eliminates the additional \$1.50 fee for special retired military personnel license plates.

Act 377 of 1991 reduces the cost for additional license plates for veterans receiving the Purple Heart medal from \$10.00 to \$5.00.

Act 837 of 1991 creates a special license plate for retired Merchant Marines who served from October, 1941 to December 31, 1945.

Act 68 and 69 of the 1st Extraordinary Session of 1992 creates a special category of motor vehicle registration for licensing of compacted cotton seed transporters. The license fee is \$650.

Act 569 of 1993 provides for a special license plate for certified firefighters. The plates are \$10.00 plus the normal license fee.

Act 609 of 1993 provides for the issuance of special collegiate license plates. Each participating motor vehicle owner must pay an annual \$25 fee to the participating college or university plus the normal license fee and an additional \$10 fee. The \$10 fee is deposited to the state central service fund.

Act 613 of 1993 provides that military retirees may obtain two special license plates for an additional fee of \$5.00.

Act 905 of 1993 provides that all boat and travel trailers drawn by any truck with a load capacity of 1 ton or less shall be \$7.00.

Act 1248 of 1993 provides for a special license plate for Justice of the Peace. The fee for the license plate is the normal fee plus a \$10 application fee.

Act 1261 of 1993 levies an additional fee of \$2.00 for the registration of a motor vehicle. The \$2.00 fee is waived if the motor vehicle registration is renewed by mail.



Act 310 of 1995 provides that the surviving spouse of a deceased disabled veteran may be issued a special disabled veterans plate. The issuance of the plate does not confer eligibility for disabled parking privileges. The act also authorizes the surviving spouse of a deceased recipient of the Congressional Medal of Honor to be issued a special plate without charge.

Act 330 of 1995 repeals the additional \$2.00 fee for renewal of registration in person.

Act 647 of 1995 allows for the issuance of a special plate for members of the Civil Air Patrol. The initial license plate fee is \$35, with annual renewals the same as for regular plates.

Act 1297 of 1995 provides that motor vehicles purchased by vocational-technical schools and technical or community colleges and used for training are exempt from registration fees.

Act 1314 of 1995 provides that the renewal fee for special plates for firefighters will be the same as the normal fee for registration.

Act 269 of 1997 provides that a surviving spouse of a purple heart medal recipient is entitled to receive a free purple heart license plate.

Act 297 of 1997 allows a 7-month registration period for vehicles used for hauling farm products. The fee is 7/12ths of the annual fee, but in no event shall the fee be less than \$75.

Act 538 of 1997 authorizes the issuance of a special "search and rescue" license plate. A fee of \$35 is levied for the initial plate. Annual renewals shall be at the same rate as for regular motor vehicle license plates.

Act 837 of 1997 permits retired fire fighters to be eligible to purchase special fire fighters license plate.

Act 974 of 1997 This act repealed the general requirement for motor vehicle inspections. However, commercial vehicles that transport people must still be inspected. This act levies a new fee of \$2.50 for the sale of each annual license plate validation decal. Of the \$2.50 fee, \$1.50 is remitted to the Arkansas Development Finance Authority and \$1.00 is deposited to the State Central Services Fund.

Act 1237 of 1997 allows the surviving spouse of a disabled veteran to have a veteran license plate for \$1.00.

Act 23 of 1999 provides for the issuance of Ducks Unlimited license plates with authorization or certification from Ducks Unlimited, Inc. and payment of a \$10 one time per plate handling and administration fee or addition to the required registration fee. The \$10 fee is credited to the State Central Services Fund for the benefit of the Revenue Division and not as direct revenue.

Act 385 of 1999 permits Class 2 through Class 8 commercial vehicles to be registered for any one year period instead of the previously required July 1 through June 30 registration.

Act 916 of 1999 permits the issuance of specialized license plates for World War II veterans, Korean War veterans, Vietnam veterans, and Persian Gulf veterans with payment of a \$10, one time per plate, handling and administration fee in

addition to the required registration fee. The \$10 fee is credited to the State Central Services fund for the benefit of the Revenue Division and not as direct revenue.

Act 1076 of 1999 repeals the \$35 initial fee for Civil Air Patrol license plates.

Act 1327 of 1999 authorizes a "Street Rod" license plate for vehicles made before 1949 and modified in some way with an initial fee of \$50 and an annual fee of \$25.

Act 1443 of 1999 allows farm tags to be assigned to vehicles used primarily on the farm to haul products produced or used in agricultural operations.

Act 1566 of 1999 permits the issuance of a specially designed Arkansas Game and Fish Commission license plate with payment of a \$25 "design use contribution" (deposited to Game Protection Fund) and a \$10 one time per plate, handling and administration fee in addition to the required registration fee. The \$10 fee is credited to the State Central Services Fund for the benefit of the Revenue Division and not as direct revenue.

Act 90 of 2003 provides for the issuance of the Ducks Unlimited special license plates.

Act 343 of 2003 allows dealer license plates on dealer owned cars to be used for personal or business trips.

Act 344 of 2003 provides for the issuance of a "Choose Life" special license plate in support of adoption programs.

Act 361 of 2003 allows vehicle dealers to self certify with the Office of Motor Vehicles to receive a dealer's license plate.

Act 371 of 2003 requests an effort to curb the growth in the number of special license plates.

Act 463 of 2003 allows one ton trucks and vans used for personal transportation to be registered with passenger car tags and allows arresting officer's jurisdiction to keep fines.

Act 842 of 2003 amends the Arkansas Uniform Commercial Driver License Act to comply with federal requirements for commercial driver's licenses.

Act 868 of 2003 provides for the issuance of a Constitutional Officer special license plate.

Act 1004 of 2003 provides for the issuance of the Susan G. Komen Breast Cancer Education, Research and Awareness special license plate.

Act 1040 of 2003 provides for the issuance of a University of Arkansas Division of Agriculture special license plate.

Act 1150 of 2003 provides for the issuance of an Arkansas Cattlemen's Foundation special license plate.

Act 1302 of 2003 provides for the issuance of an African-American Fraternity and Sorority special license plate.

Act 1329 of 2003 provides additional authority over the registration of foreign vehicles.

Act 1343 of 2003 provides for the issuance of a Boy Scouts of America special license plate to acknowledge their public services.

Act 1362 of 2003 provides for organ donor education through the establishment of a trust fund and the issuance of Organ Donor Awareness special license plates.

Act 1454 of 2003 provides for the design, approval and issuance of Pearl Harbor Survivor special license plates.

Act 28 of 2005 reduces the paperwork required for retired firefighters to renew their specialty plates and levies an additional \$1 fee.

Act 185 of 2005 authorizes the operation Iraqi Freedom Veteran license plate.

Act 727 of 2005 authorizes the In God We Trust special license plate.

Act 952 of 2005 authorizes the Operation Enduring Freedom Veteran license plate.

Act 1574 of 2005 authorizes the issuance of the Arkansas State Golf Association special license plates. The design fee is paid by the association.

Act 1577 of 2005 authorizes the Arkansas Fallen Firefighters Memorial Special license plate.

Act 1889 of 2005 creates and provides for issuance of a special license plate for Arkansas realtors.

Act 2202 of 2005 repeals most existing law regarding special license plates and transfers authority for issuing additional special plates to the DFA Director.

Act 1176 of 2013 creates the Commercial Truck Safety and Education Fund, funded by the first \$2,000,000 of fees charged to vehicles with a gross load weight between 73,281 lbs and 80,000 lbs, and sets an additional 15% fee of the amount charged, to the same gross weight vehicles registered with the International Registration Plan.

Act 1355 of 2013 limits the number of special license plates to the number in existence on January 1, 2014.

History of Truck Registration Fees:

Years	Fee Basis and Range
1911-1920	Same as passenger vehicles, q.v.
1921-1923	Tons capacity ..... \$15-\$150 Pneumatic tires ..... \$15-\$225 Solid tires (max. cap. 6 tons)
1924-1933	Same as preceding, except rate was increased: Pneumatic tires ..... \$25-\$400 Solid tires - 1.5 times greater (except 1 ton or less)
1934-1948	Same as preceding, except rate was reduced: Pneumatic tires ..... \$12-\$400 Solid tires - 1.5 times greater
1949-1962	Based on Gross Weight, ..... \$15-\$450
1963-1965	Based on Gross Weight, ..... \$15-\$703
1966-1978	Based on Gross Weight, ..... \$30-\$803
1979-1981	Based on Gross Weight, ..... \$39-\$1,044

Basic licensing structure - the several special categories - farm, natural resources, pickups, etc. are not shown and comprise only a limited proportion of trucks. Pickups, licensed at fees comparable to autos, are excluded also.

History of Passenger Vehicle Registration Fees:

Years	Fee Basis and Range
1911-1912	Flat ..... \$5.00
1913-1916	Flat ..... \$10.00
1917-1920	Flat \$10.00
1921-1922	Sliding Scale 25¢ p.hp. Plus 25¢ p. cwt. (Gross) (Minimum fee \$10.00)
1923-1928	Sliding Scale 12.5¢ p.hp. Plus 55¢ p. cwt. (Gross)
1929-1933	Sliding Scale 12.5¢ p.hp. Plus gross weight classes: (1) Not over 3,500 lbs. 55¢ p.cwt.; (2) 3,501-4,500 lbs. 60¢ p.cwt.; and, (3) Over 4,500 lbs. 65¢ p.cwt.
1934-1948	Sliding Scale 6.25¢ p.hp. plus gross weight classes.
1949-1958	Same as above, but "For Hire" were revised according to passenger capacity: 5 or less .....\$75 p.a. 6 or 7.....\$85 p.a. 8 or more .....\$1.50 p.cwt. and 45¢ p.hp. and \$2.50 per seat
1959-1964	Same as above, but "For Hire" were revised as follows: 5 or less..... \$25 p.a. 6 or 7..... \$35 p.a. 8 or more same as above
1965-1966	Flat fees. "Pleasure vehicles" 3,000 lbs. or less\$12 3,001-4,500 lbs. .... \$19 Over 4,500 lbs. ....\$26 "For Hire" 5 or less.....\$75 6 or 7.....\$85 7 or more .....\$1.50 p.cwt. and \$2.50 per seat
1967-1978	"Pleasure Vehicles"--no change "For Hire" Vehicles fees, "as set forth for Pleasure Vehicles"
1979-1980	Flat Fees for "Pleasure Vehicles" 2,500 lbs. or less ..... \$18 2,501-3,000 lbs. .... \$24 3,001-3,500 lbs. .... \$30 Over 3,501 lbs. .... \$36 "For Hire" Vehicles "as set for `Pleasure Vehicles'"
1981	Flat fees for "Pleasure Vehicles" 3,000 lbs. or less ..... \$17 3,001-4,500..... \$25 4,501 lbs. or more..... \$30 "For Hire" vehicles same.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 113,917,144	19.52
2004	\$ 104,133,034	(8.59)
2005	\$ 110,080,692	5.71
2006	\$ 111,247,896	1.06
2007	\$ 112,959,119	1.54
2008	\$ 113,194,427	0.21
2009	\$ 112,263,704	(0.82)
2010	\$ 112,261,901	(0.001)
2011	\$ 113,480,342	1.09
2012	\$ 118,728,441	4.62
2013	\$ 116,824,939	(1.60)
2014	\$ 120,267,477	2.95

**Distribution of Tax:**

Special Revenues: 70% to State Highway Department Fund,  
15% to County Aid Fund, 15% to Municipal Aid

Each license plate validation and renewal decal levies a fee of \$2.50. Distribution of the decal fee is as follows: \$1.50 remitted to Arkansas Development Finance Authority, \$1.00 to State Central Services Fund.

Commercial Truck Safety and Education Fund.

**Administered by:**

Department of Finance and Administration - Revenue  
Services Division

**Cite:**

Arkansas Code (1987) 27-14-601

## **6.13. MOTOR VEHICLE TRIP PERMITS**

The Chief Fiscal Officer of the State is authorized to issue a commercial vehicle temporary registration tag for use in cases where commercial operators desire to operate temporarily in the State for a period not to exceed 72 hours. The Revenue Services Division collects the fee from the commercial operators and deposits the money in the State Treasury.

### **Rate and Rental:**

\$33 for a single unit

### **Exemptions:**

None

### **History:**

Act 1179 of 1976 enacted Motor Vehicle Trip Permits in the amount of \$25 for a single unit.

Act 440 of 1979 increased the fee by 30% rounded to the nearest dollar. The new fee is \$33.

Act 598 of 1987 reenacted Act 1179 of 1976 and 440 of 1979 due to the Arkansas Supreme Court decision in *Recarte vs. State*.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 289,526	7.79
2004	\$ 306,832	5.98
2005	\$ 309,384	.83
2006	\$ 409,134	32.24
2007	\$ 318,545	(22.14)
2008	\$ 382,778	20.16
2009	\$ 323,763	(15.42)
2010	\$ 433,791	33.98
2011	\$ 426,069	(1.78)
2012	\$ 432,036	1.40
2013	\$ 424,499	(1.74)
2014	\$ 462,264	8.90

### **Distribution of Tax:**

Special Revenues to Highway Department Fund

### **Administered by:**

Department of Finance and Administration - Revenue Services Division

### **Cite:**

Arkansas Code (1987) 27-14-1306

## 6.14. OVERWEIGHT PERMITS

The State Highway Commission or other state agencies which the Commission has delegated such authority (Revenue Services Division) may issue a special permit to transport cargoes of such nature that the cargo cannot be taken apart, authorizing applicants for such permits to move a vehicle of a size or weight that exceeds the maximum load limit. The Highway Commission and the Revenue Services Division remit the moneys collected for the Overweight Permits to the State Treasury.

### Rate and Base:

A charge of twelve dollars (\$12.00) is made for each special permit; and in addition thereto, for each ton or major fraction thereof to be hauled in excess of the lawful weight and load for that vehicle, charges for such are as follows:

On Each Ton or Miles To Be Traveled:	Fraction Thereof
Not more than 100	\$ 8.00
101-150 inclusive	10.00
151-200 inclusive	12.00
201-250 inclusive	14.00
Over 251 miles	16.00

Also, the Director of Highways shall issue a special permit for the movement of a crane that exceeds the legal length upon payment of an annual fee of \$100.

### Exemptions:

No fee shall be charged to any governmental agency when the vehicle is public property and on official business. A permit is not required when the vehicle or machinery is used for normal farm purposes or when farm machinery is being delivered to the farm, or forestry machinery.

### History:

Overweight permits were authorized by Act 152 of 1953 as follows:

A charge shall be made of \$5.00 for each special permit; an additional \$5.00 per ton shall be charged for each ton, or

fraction thereof, of the first five tons in excess of 56,000 pounds; an additional \$7.50 per ton for each ton or fraction thereof, of the next five tons; and an additional \$10.00 per ton for each additional ton, or fraction thereof. The charges per ton shall apply on the first 50 miles traveled upon the highway. For each additional increment of 50 miles, or fraction thereof, there shall be charged an additional 25%.

Act 98 of 1955 repealed Act 152 of 1953 and established the following fees:

A charge of \$5.00 shall be made for each special permit; an additional \$4.00 per ton shall be charged for each ton, or fraction thereof, of the first five tons in excess of 56,000 pounds excluding the front axle; an additional \$6.00 per ton, for each ton, or fraction thereof, of the next five tons; and an

additional \$8.00 per ton for each additional ton, or fraction hereof.

Miles To Be Traveled	On First 5 Tons Per Ton or Fraction Thereof	On Next 5 Tons Per Ton or Fraction Thereof	On any Additi. Tons Per Ton of Fraction Thereof
Not more than 100	\$1.00	\$2.00	\$3.00
101-150 inclusive	\$1.50	\$2.75	\$4.00
151-200 inclusive	\$2.00	\$3.50	\$5.00
201-250 inclusive	\$2.50	\$4.25	\$6.00
Over 251 miles	\$3.00	\$5.00	\$7.00

Act 219 of 1991 increased the overweight permit to \$12.00 and revised the fee schedule.

Act 704 of 1991 authorizes the issuance of permits for the movement of overweight construction equipment. The permit is issued for \$12.00 along with the following fee:

Miles To Be Traveled	On First 5 Tons Per Ton or Fraction Thereof	On Next 5 Tons Per Ton or Fraction Thereof	On any Additi. Tons Per Ton of Fraction Thereof
Not more than 100	\$1.25	\$2.50	\$3.75
101-150 inclusive	\$2.00	\$3.00	\$5.00
151-200 inclusive	\$2.50	\$4.50	\$6.25
201-250 inclusive	\$3.25	\$5.50	\$7.50
Over 251 miles	\$3.75	\$6.25	\$8.75

Act 136 of 1997 provides that the Highway Commission may issue special permits for transporting round bales of hay on a controlled highway under its jurisdiction. There is no charge for the permit and permits are good for 3 days.

Act 1156 of 1997 provides for consecutive movements or operations of a vehicle with a cargo not exceeding 10 feet, 8 inches in width along one designated route from an adjacent state into one county within state and which one-way mileage is no greater than 15 miles. Fee for such permit is \$1,000.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 6,667,830	(12.07)
2004	\$ 7,073,130	6.08
2005	\$ 7,785,403	10.07
2006	\$ 9,959,915	27.93
2007	\$ 11,261,835	13.07
2008	\$ 17,256,925	53.23
2009	\$ 20,335,751	17.84
2010	\$ 19,387,549	(4.66)
2011	\$ 20,404,485	5.25
2012	\$ 20,224,940	(0.88)
2013	\$ 18,226,807	(9.88)
2014	\$ 17,697,348	(2.90)

**Distribution of Tax:**

Special Revenues to Highway Department Fund

**Administered by:**

State Highway Commission and Department of Finance and  
Administration, Revenue Services Division

**Cite:**

Arkansas Code (1987) 27-35-210

## 6.15. SPECIAL DRIVERS LICENSE FEES

The Department of Motor Vehicles of the Revenue Services Division of the Department of Finance and Administration is authorized to collect the following Special Drivers License Fees:

1. Fee for color photograph for renewals of drivers licenses after first renewal application;
2. Fee for a duplicate license;
3. Fee for a license for identification purposes only.

The fees are collected by the Commissioner of Revenues and deposited in the State Treasury. \*

### Rate and Base:

1. \$6 fee for duplicate license
2. 50% penalty fee for each operator without valid license
3. \$150 fee for driver license reinstatement

### Exemptions:

None

### History:

The Special Drivers License Fees were imposed by Act 311 of 1977.

Act 385 of 1989 increased the fee for a duplicate license or an identification license from \$2 to \$5.

Act 1001 of 2003 increased the fees for reinstatement of driver's license revoked because of an alcohol related arrest. The increased fee is distributed 7% Public Health Fund, 33% to Constitutional Officers Fund, 10% to general revenue, 50% to State Police Fund.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,617,887	(8.12)
*2004	\$ 769,245	(52.45)
2005	\$ 756,885	(1.61)
2006	\$ 800,426	5.75
2007	\$ 806,054	0.70
2008	\$ 816,051	1.24
2009	\$ 836,703	2.53
2010	\$ 855,927	2.30
2011	\$ 864,309	0.98
2012	\$ 874,983	1.23
2013	\$ 850,622	(2.78)
2014	\$ 826,038	(2.89)

\*Beginning in fiscal year 2004, the Arkansas Department of Revenue no longer reflects the color photograph fee or the license for identification purposes only fee within collections reflected herein.

### Distribution of Tax:

Special Revenues credited to Arkansas State Police Fund; Public Health Fund; Constitutional Officers fund; 10% to General Revenues

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 27-16-801; 27-16-805; 27-16-806

## 6.16. TITLE TRANSFER FEE

In addition to the fee for an application for registration of a motor vehicle, the Title Transfer Fee was imposed on each title issued to be paid to the Revenue Service Division of the Department of Finance and Administration to be remitted to the State Treasury.

### Rate and Base:

\$4 per motor vehicle

### Exemptions:

None

### History:

Effective Date	Transfer Fee
July 1, 1979	\$10.00
July 1, 1981	\$ 4.00

### Revenues Generated:

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 3,723,571	0.50
2004	\$ 3,749,449	0.69
2005	\$ 3,727,868	(0.58)
2006	\$ 3,733,474	0.15
2007	\$ 3,727,636	(0.16)
2008	\$ 3,802,390	2.01
2009	\$ 3,571,075	(6.08)
2010	\$ 3,624,757	1.50
2011	\$ 5,290,626	45.96
2012	\$ 9,926,517	87.62
2013	\$10,074,523	1.49
2014	\$10,192,837	1.17

### Distribution of Tax:

Special Revenues distributed 15% to Cities, 15% to Counties and 70% to Highway Department Fund

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 27-14-705



## Chapter 7 - Gaming Taxes

### 7.1. BINGO TAX

Charitable Bingo and Raffles Enabling Act allow authorized organizations a license to conduct games of bingo and raffles that has been in continuing existence as a nonprofit tax-exempt organization in this state for a period of not less than five years.

#### Rate and Base:

Three Tenths of one cent (.003¢) per bingo face sold

Authorized Organization License Fee..... \$100.00

Temporary License Fee for one bingo session..... \$25.00

Class I Temporary Raffle License ..... \$25.00

Class II Temporary Raffle License ..... \$10.00

Bingo Equipment Distributor License ..... \$2,500 annually

#### Exemptions:

Bingo faces taxed under code 23-114-601 are exempt from the Arkansas Gross Receipts Tax Act of 1941 and the Arkansas compensating Tax Act of 1949.

#### History:

Act 388 of 2007 provides for charitable bingo and raffles.

Act 499 of 2009 grants control and supervision of games of bingo and raffles to the Director of Department of Finance and Administration, to be administered under the Arkansas Tax Procedures Act. The excise tax is levied at three tenths of one cent (.003¢) upon the sale of each bingo face.

#### General Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2008	\$ 1,148,607	---
2009	\$ 957,591	(16.63)
2010	\$ 342,849	(64.20)
2011	\$ 234,538	(31.59)
2012	\$ 286,552	22.18
2013	\$ 268,364	(6.35)
2014	\$ 243,198	(9.38)

#### Distribution of Tax:

General Revenues

#### Administered by:

Department of Finance and Administration - Department of Revenue

#### Cite:

Arkansas Code 23-114-101; 23-114-201; 23-114-301; 23-114-401; 23-114-501; 23-114-601; 23-114-701; 5-66-118

## 7.2. DOG RACES

Greyhound racing and pari-mutuel wagering were legalized in 1935 and certain fees and taxes were imposed which are collected by the Arkansas Racing Commission and are turned in to the Revenue Services Division for remittance to the State Treasurer.

### Rate and Base:

1. 3% on the first \$125 million wagered - State 7% on wagers over \$125 million;
2. 12% on the first \$125 million wagered - franchise hold 16% on wagers over \$125 million;
3. 1/3 of the odd cents or breaks - State;
4. 2/3 of the odd cents or breaks - City in which track is located;
5. 1/3 of unredeemed winning tickets - State;
6. 1/3 of unredeemed winning tickets - County in which track is located;
7. 1/3 of unredeemed winning tickets - City in which track is located;
8. 10% of all moneys received each day from - admissions, or 10¢ on each paid admission, whichever sum is greater - State;
9. \$300 per day as a license fee for each day of a racing meet - State;
10. Net proceeds derived from the three additional days of racing shall be as follows:
  - a. 1/3 to be deposited with the City Treasurer and credited to the City General Fund to be used for charitable purposes;
  - b. 2/3 to be deposited with the State Treasurer to be used for the sole benefit of community programs of the Department of Human Services-Developmental Disabilities Division.
11. Net proceeds derived from two of the six additional days of racing shall be deposited as special revenue for credit to the Municipal Aid Fund. Moneys deposited in the Fund shall be distributed to all municipalities located in the county, except the municipality in which the dog racing track is located, with each municipality to receive such portion of the Fund as the population of the municipality bears to the total population of all participating municipalities in the county.
12. All revenue derived from the 15 additional days of racing shall be deposited as special revenue for credit to the Indigent Patients Hospitalization Fund in order to defray the costs of hospitalization of indigent Arkansas patients in health care facilities in Cross, Lee, Mississippi, Poinsett and St. Francis Counties. The amount available to each county shall be no more than one-fifth of the total funds available or the amount certified of unreimbursed medical expenses, whichever is less.
13. Each greyhound owner shall pay a license fee of \$20;
14. Each greyhound trainer shall pay a license fee of \$15.

### Exemptions:

None

### History:

Act 339 of 1935 provided for the following taxes and certain permits and licenses on greyhound racing at licensed racing meetings:

1. 5% tax on all pari-mutuel pools;
2. 10¢ on each person attending races;
3. the permit holder shall pay to the Racing Commission on all moneys handled through pari-mutuel machines, the following:

On any sum up to \$20,000.00 per night .....	\$ 100.00
On \$20,001.00 to \$30,000.00 per night.....	\$ 200.00
On \$30,001.00 to \$40,000.00 per night.....	\$ 300.00
On \$40,001.00 to \$50,000.00 per night.....	\$ 400.00
On \$50,001.00 to \$60,000.00 per night.....	\$ 500.00
On \$60,001.00 to \$70,000.00 per night.....	\$ 600.00
On \$70,001.00 to \$ 80,000.00 per night.....	\$ 900.00
On \$80,001.00 to \$ 90,000.00 per night.....	\$1,000.00

and \$1,000.00 per night on any sum over \$100,000.00 so handled in any one night, said payment to be made the day following each race meeting.

In 1957 the General Assembly enacted Act 191, which "Legalized Greyhound Racing and Pari-mutuel Wagering Thereon" and repealed Act 339 of 1935 and imposed the following taxes, licenses and fees:

1. \$300 per day license fee for each day of racing meet;
2. \$10 license fee for each greyhound owner;
3. \$10 license fee for each greyhound trainer;
4. 5% of all moneys wagered as a privilege tax;
5. 1/3 of the odd cents or breaks to the State;
6. 10% of all moneys received each day from admissions, or 10¢ for each paid admission, whichever sum is greater;
7. 1/3 of the odd cents or breaks to the franchise holder;
8. 1/3 of the odd cents or breaks to the City where the track is located;
9. Two meets of 50 days each.

Act 142 of 1965 increased the tax on all moneys wagered from 5% to 6% and retained the provision that 1/3 of the odd cents or breaks goes to the State. Act 142 also provided that 1/3 of unredeemed winning tickets would be paid to the State as Special Revenues for credit to the State Police Fund and 1/6 of the pari-mutuel tax was designated as Special Revenues for credit to the State Police Fund. Also, 1/3 of the unredeemed winning tickets would be retained by the franchise holder and 1/3 would be paid to the County where the track is located.

Act 397 of 1967 authorized the dog racing franchise holder to conduct two additional days of races and provided that 1/3 of the net proceeds derived from the additional days be deposited with the City Treasurer of the City in which the

track is located and that 2/3 of the net proceeds of the two additional days be deposited with the State Treasurer as Special Revenues for credit to the Children's Colony Fund to be used for construction, maintenance, operation and improvement of the Children's Colony.

Act 291 of 1969 amended Act 397 of 1967 to provide that the 2/3 of the net proceeds of the two additional days of racing credited to the Children's Colony Fund was to be used for "construction or improvement of the Arkansas Children's Colony."

Act 382 of 1969 authorized 12 additional days of racing during each year and designated all revenues derived from the pari-mutuel tax of the 12 additional days as Special Revenues for credit to the Indigent Patients Hospitalization Fund to be used to defray the cost of hospitalization and medical services of indigent Arkansas patients under contract with the City Hospital of the City of Memphis, Tennessee.

Act 382 of 1971 amended Act 191 of 1957 by providing that 2/3 of the odd cents or breaks would be paid to the city where the track is located, instead of 1/3 to the franchise holder and 1/3 to the city. Also, Act 382 provided that the city would receive 1/3 of the unredeemed winning tickets, instead of the track.

Act 780 of 1973 again changed the distribution of the unredeemed winning tickets to the following:

1. 1/3 to the State as General Revenues;
2. 1/3 to the County where track is located;
3. 1/3 to the City where track is located.

Act 875 of 1973 amended Act 397 of 1967, as amended by Act 291 of 1969, to provide that the 2/3 of the net proceeds of the two additional days of racing, which was previously credited to the Children's Colony Fund to be used for construction or improvement of the Arkansas Children's Colony, would now be deposited with the State Treasurer as Special Revenues for credit to the Mental Retardation Fund Account to be used for "Community Service Programs" of the Mental Retardation Developmental Disabilities Services.

Act 391 of 1977 amended Act 382 of 1969 to provide that revenues derived from the 12 additional days of racing and deposited in the Indigent Patients Hospitalization Fund could also be used to provide not more than \$20,000 per year to a private nonprofit hospital for crippled children located in Memphis, Tennessee for providing hospital and medical services to indigent Arkansas children.

Act 711 of 1979 authorized the State Racing Commission to permit an additional six days of racing during each year and provided that the net proceeds derived from two days of racing, designated by the franchise holder, be classified as Special Revenues to be deposited in the State Treasury to the credit of the "Municipal Assistance Fund" which shall be distributed to all municipalities located in the County in which the racing meet is held, except the municipality in which the race track is located, with the distribution made on the basis of population.

Act 454 of 1981 provided that of the moneys derived from the pari-mutuel tax on the 12 additional days of racing authorized by Act 382 of 1969, as amended by Act 391 of 1977, \$200,000 shall be used for support and operation of the Crittenden County Emergency Medical Services Program benefiting medical indigents in Eastern Arkansas to be divided as follows:

1. ¼ for Crittenden County emergency medical services for medical indigents;
2. ¾ for city in which the track is located for city-operated emergency medical services program.

Act 773 of 1981 provided that of the moneys derived from the pari-mutuel tax on the 12 additional days of racing authorized by Act 382 of 1969, as amended by Act 391 of 1977, \$100,000 each year shall be used to support the Emergency Medical Services Programs of Mississippi County, Poinsett County, Cross County, St. Francis County and Lee County.

Act 228 of 1983 increased the racing meets to two racing meets of 60 days each.

Act 424 of 1983 increased from 6% to 7% the amount "of all wagers" credited to the State.

Act 924 of 1985 changed the distribution of the monies generated from the two, six and 12 extra days of dog racing (See Rate and Base for Breakdown).

Act 383 of 1987 increased the number of racing days to two meets of 75 days each; increased to 15 days the additional days of racing for the Indigent Patient Fund; increased to three days the additional days of racing for the City General Fund and the Mental Retardation Fund.

Act 238 of 1989 increased the number of racing days to two meets of 110 days each. The Act also authorizes two additional days at any racing meet with the proceeds going to the city treasury to be used for relief to disaster victims, indigent persons, organizations that assist such persons, and for education purposes.

Presently Authorized Racing Days Each Year:

2 meets of 122 days each (General Revenues) .....	244 days
15 additional days (Indigent Patients).....	15 days
3 additional days/meet (1/3 City General Fund; 2/3 Mental Retard. Fund).....	6 days
6 additional days (2 days Municipal Asst. Fund; 4 days General Revenues).....	6 days
2 additional days/meet (City Assistance Programs).....	4 days
6 additional days in a twelve month period .....	<u>6 days</u>
<b>TOTAL AUTHORIZED</b>	
<b>ANNUAL RACING DAYS .....</b>	<b>281 days</b>

Act 664 of 1991 makes the franchise holder responsible for issuing racing passes and prohibits the Racing Commission from regulating the issuance of racing passes.

Act 850 of 1991 increases from 11% to 12% the amount of takeout that is retained by the franchise holder.

Act 1117 of 1991 requires the Director of the Department of Finance and Administration to set the maximum number of racing passes to be printed annually. The number of passes shall not be less than printed in 1990.

Act 879 of 1993 allows six additional days of racing in a 12 month period. Proceeds are divided 25% to the county where the racing meet is held, and 75% to an institution of higher education in the county where the meet is held.

Act 1163 of 1993 set out the following rates of “take-out” for simulcasting of dog racing:

STATE: 2% of all moneys wagered up to and including \$350,000 but less than or equal to \$500,000; and, 6% of all moneys wagered in excess of \$500,000.

FRANCHISE HOLDER: Shall withhold no more than 19% of the total monies wagered in simulcast racing, except when the state of the host race meet allows for withholding a greater percentage.

Acts 342 & 347 of 1995 increase the number of racing days to 122 per meet. These acts also reduce the privilege tax from 7% to 3% on the first \$125 million, and 7% on wagers over \$125 million.

Act 1509 of 1999 made the following adjustments to ACA 23-111-509 regarding revenues collected from dog racing:

1. Continues the percentages and amounts franchise holders can retain for their own use, but amends the Code to specifically limit these retentions and their allocations to live on-premises races.
2. Continues the percentages and amounts to be paid by the franchise holder to the State as privilege tax for both on-premises and simulcast racing, but specifically expands the tax to include 1/3 of all odd cents and breaks from simulcast racing.
3. Continues the percentages of withholding and pay-out by the franchise holder to the host city (or county, if franchise lies outside of a municipality), but specifically applies this withholding to both on-premises and simulcast racing.

Act 1488 of 2001 provides that for each year the first eighty-five thousand dollars of the pari-mutuel tax revenue derived from dog racing shall be remitted to Mid-South Community College to support the nursing program and shall be considered local tax revenue.

Act 1666 of 2001 redirects the revenue derived from the pari-mutual tax at the fifteen (15) additional days of racing shall be deposited with the Treasurer of State as special revenue for credit to the Indigent Patients Fund in order to defray the costs of hospitalization of indigent Arkansas patients in health care facilities in Cross, Lee, Mississippi, Poinsett and St. Francis Counties. The amount available to each county shall be no more than one-fifth of the total funds available or the amount certified of unreimbursed medical expenses, whichever is less.

Act 1837 of 2001 reduces the rate of the state privilege tax by 1% of simulcast races.

Act 1151 of 2005 permits a local election to authorize electronic games of skill at greyhound and horse racing tracks in its community. Contributions to purses and breeding programs from electronic games of skill:

1. 14% net wagering to franchise holder
2. 1% net wagering to Arkansas Racing Commission
3. 18% net wagering to state general revenues
4. .5% to county in which franchise operates
5. 1.5% to city in which franchise operates

**Revenues Generated:**

General Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,983,546	(11.70)
2004	\$ 1,933,405	(2.53)
2005	\$ 1,667,138	(13.77)
2006	\$ 1,672,552	0.32
2007	\$ 1,520,487	(9.09)
2008	\$ 1,448,344	(4.74)
2009	\$ 1,302,012	(10.10)
2010	\$ 1,121,874	(13.84)
2011	\$ 997,189	(11.11)
2012	\$ 956,538	(4.08)
2013	\$ 932,805	(2.48)
2014	\$ 993,576	6.51

**Revenues Generated:**

Special Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 253,140	(10.64)
2004	\$ 248,051	(2.01)
2005	\$ 226,737	(8.59)
2006	\$ 203,908	(10.07)
2007	\$ 187,028	(8.28)
2008	\$ 194,182	3.83
2009	\$ 186,117	(4.15)
2010	\$ 149,823	(19.50)
2011	\$ 141,389	(5.63)
2012	\$ 149,301	5.60
2013	\$ 140,601	(5.83)
2014	\$ 143,936	2.37

**Distribution of Tax:**

General and Special Revenues; 5% to County

**Administered by:**

Arkansas State Racing Commission

**Cite:**

Arkansas Code (1987) 23-111-501 et seq.

### **7.3. ELECTRONIC GAMES OF SKILL**

Allows cities and counties the opportunity to promote economic development, tourism and agribusiness by local option election to authorize additional forms of electronic games of skill at horse racing and greyhound racing parks in their communities.

#### **Rate and Base:**

1. 14% net wagering to franchise holder
2. 1% net wagering to the Arkansas Racing Commission
3. 18% net wagering to state general revenues
4. .5% net wagering to county in which franchise operates
5. 1.5% net wagering to city in which franchise operates
6. Equipment Supplier License Fee - \$1000 annually

#### **Exemptions:**

None

#### **History:**

Act 1151 of 2005 permits local election to authorize electronic games of skill at greyhound and horse racing tracks in its community and sets contributions to purses and breeding programs from electronic games of skill.

Act 732 of 2007 levies an income tax of 3% on winnings paid by electronic games of skill.

Act 990 of 2007 levies a three percent income tax on winnings paid by electronic games of skill at Oaklawn Jockey Club and Southland Greyhound Park on any single payment of winnings of one thousand two hundred dollars or more paid on a single electronic game of skill wager. The amount of tax paid or withheld on gaming winnings shall not be claimed under the Income Tax Act of 1929 to offset tax liability, create a refund or offset income for tax purposes.

#### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2007	\$ 2,694,439	---
2008	\$ 5,597,939	107.76
2009	\$ 6,197,221	10.71
2010	\$ 8,537,995	37.77
2011	\$ 14,833,428	73.73
2012	\$ 27,408,787	84.78
2013	\$ 35,840,961	30.76
2014	\$ 39,416,636	9.98

#### **Distribution of Tax:**

General Revenues

#### **Administered by:**

1. State Racing Commission
2. Department of Finance and Administration–Department of Revenue

#### **Cite:**

Arkansas Code 23-113-101; 26-51-1302; 26-51-101

## 7.4. HORSE RACING

Horse racing and pari-mutuel wagering was made lawful in Hot Springs, Garland County, Arkansas and is regulated by the General Assembly by Amendment 46 to the Arkansas Constitution, adopted at the general election on November 6, 1956. All taxes and fees are remitted by the Oaklawn Jockey Club to the Racing Commission, which turns in the revenues to the Revenue Services Division of the Department of Finance and Administration for transmittal to the State Treasury.

### Rate and Base:

1. \$500 per day for each racing day - license fee;
2. \$ 20 license fee for each horse owner;
3. \$ 15 license fee for each horse trainer;
4. \$ 15 license fee for each jockey and jockey agent;
5. 1/3 of the unredeemed winning pari-mutuel tickets (State);
6. 1/3 of the unredeemed winning pari-mutuel tickets retained by the franchise holder;
7. 1/3 of the unredeemed winning pari-mutuel tickets paid to the county in which the racing track is located for credit to the County General Fund.

### Exemptions

None

### History:

Act 46 of 1935 legalized wagering at licensed horse race meetings for the first time, even though Oaklawn Jockey Club was incorporated in 1904 and operated until 1907, when Act 55 of 1907 was enacted, which was "An Act to Prevent Betting in any Manner in this State on any Horse Race." Although Act 46 became effective on February 16, 1935, the Oaklawn Jockey Club announced on February 10th that a spring meeting would start February 22nd. On opening day a total of \$78,000 was wagered, and the State was enriched by some \$5,000. The total State collections for the first meeting in 1935 were \$114,530, derived from the following taxes and fees imposed by Act 46:

1. \$500 license fee for each racing day;
2. \$10 license fee for each owner and trainer;
3. \$5 license fee for each jockey and jockey's agent;
4. 10% of all moneys received from admissions or ten cents on each admission, whichever is greater;
5. the same admission tax would be paid on free passes;
6. 4% privilege tax of the total contributions to all pari-mutuel purses.

Act 46 also stated that Act 55 of 1907 did not apply to any licensed horse track.

Act 9 of 1945 amended Act 46 of 1935 to increase the privilege tax from 4% to 5% of the total contributions to all pari-mutuel purses and retained the same admissions tax as levied in Act 46.

Act 48 of 1949 provided that all of the breaks or odd cents be paid to the State Racing Commission for remittance to the State Treasurer for credit of ½ to the Unapportioned Fund and ½ to the Municipal Aid Fund.

Act 232 of 1951 repealed Act 48 of 1949 and provided that 2/3 of all breaks or odd cents shall be paid to the Racing Commission for deposit in the State Treasury, and the State Treasurer shall transfer 50% thereof as general revenues and 50% thereof as special revenues to the Municipal Aid Fund for distribution to the municipality wherein the racing meet was conducted.

Act 3 of 1953 limited a race meeting to not more than 31 days of racing in any period of six months in any calendar year.

Act 46 of 1957, the "Arkansas Horse Racing Law", repealed all previous laws regarding horse races and provided the following licenses, fees and privilege tax:

1. \$25,000 fee for a racing franchise;
2. \$500 license fee for each racing day;
3. \$10 license fee for each owner and trainer;
4. \$5 license fee for each jockey and jockey's agent;
5. 5% of all money wagered;
6. 1/3 of the odd cents or breaks;
7. 10% or 10¢ of paid admissions, whichever is greater.

Of the other 2/3 of the odd cents or breaks, the franchise holder retains 1/3 and pays the city 1/3.

Act 46 also provided that not more than one racing meet may be conducted during any six-month period of a calendar year and that no racing meet shall exceed 31 days.

Act 142 of 1965 amended Act 46 of 1957 to increase the privilege tax on all moneys wagered from 5% to 6%, with 1/6 of the privilege tax to be classified as special revenues for credit to the State Police Fund. Also, Act 142 provided that the unredeemed winning pari-mutuel tickets be divided as follows:

1. 1/3 to be retained by the franchise holder;
2. 1/3 to be paid to the county in which the track is located;
3. 1/3 to be deposited in State Treasury for credit to the State Police Fund.

Act 130 of 1967 encourages the breeding of thoroughbred horses in Arkansas, and amended Act 46 of 1957, as amended, to provide funds for the Racing Commission to supplement the purses offered by the franchise holder for races run exclusively for Arkansas-bred horses as follows:

1. Moneys received from the odd cents or breaks during the first seven days of any racing meet of 50 days duration to the Purse and Awards Fund;
2. Thereafter 1/3 of the odd cents or breaks shall be paid to the city in which the racing meet is conducted;
3. The first \$50,000 of the remaining 2/3 of the odd cents or breaks to the Purse and Awards Fund;
4. ½ of the remaining 2/3 to the State of Arkansas;
5. ½ of the remaining 2/3 to be retained by the franchise holder.



Act 12 of 1989 sets the state's "take-out" of all monies wagered at 2.5% and provides the franchise holder a sliding scale "take-out" between 5.5% and 21%, inclusive, depending on the type of bet. This Act also provides Sunday racing, if approved by the voters of the city and county where the track is located, and simulcasting of other races.

<u>1989</u>	Franchise Holder - single horse wager	5.5% to 17.0%
	multi-horse wager	5.5% to 21.0%
	State General Revenues .....	2.5%
	Horsemen's Benevolent Protection Assn. ....	1.0%
	(of monies withheld by the franchise-holder)	
	Purse and Awards Fund .....	0.5%
	Purse & Construction - single horse wager.....	3.0%
	multi-horse wager .....	2.0%

**BREAKS**

- 48.25% to the City of Hot Springs
- 1.75% to Garland County
- 40.00% to the Franchise Holder

**UNREDEEMED WINNING TICKETS**

- 1/3 to Franchise Holder
- 1/3 to State General Revenues
- 1/3 to Garland County General Fund

Act 664 of 1991 makes the franchise-holder responsible for issuing racing passes and prohibits the Racing Commission from regulating the issuance of racing passes.

Act 1117 of 1991 requires the Director of the Department of Finance and Administration to set the maximum number of racing passes to be printed annually. The number of passes shall not be less than printed in 1990.

Act 1294 of 2001 amends the state privilege tax rate on pari-mutuel wagering on horse racing to one percent of all money wagered.

Act 1837 of 2001 reduces by 1% the state privilege tax on simulcast races.

Act 1151 of 2005 permits a local election to authorize electronic games of skill at greyhound and horse racing tracks in its community. Contributions to purses and breeding programs from electronic games of skill:

- 14% net wagering to franchise holder
- 1% net wagering to Arkansas Racing Commission
- 18% net wagering to state general revenues
- .5% to county in which franchise operates
- 1.5% to city in which franchise operates

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,949,747	5.06
2004	\$ 2,277,260	16.80
2005	\$ 2,888,690	26.85
2006	\$ 3,532,255	22.28
2007	\$ 3,756,644	6.35
2008	\$ 3,749,187	(0.20)
2009	\$ 3,845,396	2.57
2010	\$ 3,453,582	(10.19)
2011	\$ 2,959,317	(14.31)
2012	\$ 2,419,333	(18.25)
2013	\$ 2,041,627	(15.61)
2014	\$ 1,952,216	(4.38)

**Distribution of Tax:**

General Revenues

**Administered by:**

Arkansas Racing Commission

**Cite:**

Arkansas Code (1987) 23-110-401 et seq.



# Chapter 8 - Regulatory Taxes and Fees

**Administered by:**

Abstractors' Board of Examiners

**Cite:**

Arkansas Code (1987) 17-11-302; 17-11-305; 17-11-321; 17-11-322

**8.1. ABSTRACTORS' EXAMINING LICENSES AND FEES**

No person shall execute an abstract certificate or otherwise attest to the accuracy of abstracts unless said person is registered by the Abstractors' Board of Examiners. Fees collected by the Board are deposited in the State Treasury.

**Rate and Base:**

1. Examiners Fee ..... \$25
2. Temporary Certificate..... \$15
3. Certificate of Authority..... \$25
4. Renewal fee for Certificate of Authority ..... set by Board
5. Application Fee..... \$25

**Exemptions:**

Any person authorized to practice law and abstractors licensed prior to July 1, 1969.

**History:**

Act 175 of 1927 was "An Act Regulating the Business of Abstracting the Title to Land in Arkansas" and did not require any license fees but only that a bond be entered into to the State of Arkansas of not less than \$2,000 or more than \$10,000.

Act 101 of 1953 imposed an examination fee of \$25 and an annual renewal fee of \$15 for each Abstractor.

Act 109 of 1969 established the present fee.

Act 13 of 1997 changed the distribution of revenues from 10% to General Revenue and 90% to Special Revenues to 100% Special Revenues.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 22,463	(13.27)
2004	\$ 12,785	(43.08)
2005	-0-	(100.00)
2006	\$ 25,807	100.00
2007	\$ 31,120	20.59
2008	\$ 33,265	6.89
2009	\$ 17,655	(46.93)
2010	\$ 28,659	62.33
2011	\$ 26,735	(6.71)
2012	\$ 36,610	36.94
2013	\$ 25,305	(30.88)
2014	\$ 14,055	(44.46)

**Distribution of Tax:**

Special Revenues for credit to the Abstractors' Examining Board Fund

## 8.2. BANK DEPARTMENT FEES

Various fees are collected by the State Bank Department from state chartered banks and are deposited in the State Treasury.

### Rate and Base:

Application filing fees:

1. New bank charter .....\$8,000
2. Merger applications (per institution) .....\$5,000
3. Conversion (national bank to state bank).....\$8,000
4. Conversion (stock savings and loan or federal savings bank to state bank .....\$8,000
5. Charter amendments .....\$ 200
6. Charter amendments for trust powers .....\$ 500
7. Purchase or assumption (over fifty percent [50%] of assets or liabilities of another depository institution) ..... \$5,000
8. Relocation of main office (from one municipality to another)..... \$2,500
9. Reorganize and relocation of Bank Charter (complex application) .....\$6,500

Applications which are not filed with the State Banking Board.

1. New branch banking office A.C.A. §23-48-703...\$3,000
2. Relocation of existing branch office (inside Current Municipality) A.C.A. §23-48-702. ....\$ 250
3. Relocation of existing branch office (outside of current municipality) A.C.A. §23-48-702. ....\$2,500
4. Plan of exchange (plus expenses of Commissioner; does not include costs associated with appraisals of bank stock) .....\$ 500
5. Filing of fictitious name.....\$ 25
6. Filing of out-of-state bank/bank holding company.....\$ 300
7. Change in Control.....\$1,500
8. Purchase or Assumption (less than fifty percent [50%] of assets or liabilities) .....\$3,000
9. Registered agent for service of process .....\$ 25

A filing fee of \$2,500 will be required to file an official protest for the following applications:

1. New bank charter
2. Merger application
3. Purchase or assumption (over fifty percent [50%] of assets or liabilities) or (less than fifty percent [50%] of assets or liabilities)
4. Conversion (national to state bank)
5. Conversion (stock savings and loan or federal savings bank to state bank)
6. Relocation of main office (from one municipality to another)
7. Reorganization and relocation of bank charter

### Assessment Rate

**Fixed Fee:** \$1,000

1. PLUS: 34.5 cents per \$1,000 of the first \$10,000,000 of assets; (\$10,000,000 X .000345)
2. PLUS: 23 cents per \$1,000 of the next \$15,000,000 of assets; (\$15,000,000 X .00023)
3. PLUS: 17.25 cents per \$1,000 of the next \$25,000,000 of Assets; (\$25,000,000 X .0001725)
4. PLUS: 10 cents per \$1000 of the next \$250M (250,000,000 x .00010)
5. PLUS: 8.625 cents per \$1000 of the next \$200M (200,000,000 x .00008625)
6. PLUS: 7.5 cents per \$1000 of the next \$1.5B (1,500,000,000 x .000075)
7. PLUS: 4.5 cents per \$1,000 of assets greater than \$2 billion

### Exemptions:

None

### History:

Although there were fees and assessments levied against state chartered banks prior to 1913, Act 113 of 1913 created the State Bank Department with power to execute all laws relating to banks. Act 113 authorized the following fees and assessments to be collected from state banks:

1. Fee of 1/5 of 1% of authorized capital stock for a charter.
2. Fees at the same rate for an increase of capital stock.
3. Fee of \$10 for each amendment to the articles of agreement.
4. Each bank shall pay annually a fee of \$15 plus 50¢ on each \$1,000 of capital stock.

Act 139 of 1917 amended Act 113 of 1913 and provided the following changes:

1. Examination fees - \$15 plus 1/100 of 1% of the total assets with a minimum fee of \$20 and a maximum fee of \$400.
2. Examination fees for a bank to become a reserve bank for Arkansas banks shall be the same as examination fees for state chartered banks.

Act 102 of 1929 amended Act 113 of 1913 and established the following fees and assessments:

1. In January and July each year, each bank shall pay a fixed fee of \$15 plus the following assessments:
  - a. 1/75 of 1% of the total assets up to the first \$2,000,000
  - b. 1/100 of 1% on the next \$1,000,000
  - c. 1/200 of 1% on the next \$1,000,000
  - d. 1/500 of 1% in excess of \$4,000,000
  - e. with a minimum payment of \$30.

Act 111 of 1941 set the examination fees of industrial loan institutions.

Act 179 of 1969 established the investigation fee of \$500 for the application for a new charter.

Act 186 of 1971 provided that a penalty in the amount of 8% per annum would be assessed against a bank who failed to maintain the required reserves.

Act 489 of 1973 amended Act 179 of 1969 and provided that the investigation fee be not less than \$500 but could be fixed by regulation at \$2,500.

Act 892 of 1991 amended various fees charged by the State Bank Department.

Act 89 of 1997 "The Arkansas Bank Code of 1997" made various changes concerning the levy of certain bank fees and the rates.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 6,009,691	8.66
2004	\$ 6,278,598	4.47
2005	\$ 6,724,308	7.10
2006	\$ 6,983,079	3.85
2007	\$ 7,426,122	6.34
2008	\$ 7,438,977	0.17
2009	\$ 7,743,921	4.10
2010	\$ 7,792,783	0.63
2011	\$ 8,005,237	2.73
2012	\$ 8,194,272	2.36
2013	\$ 8,484,906	3.55
2014	\$ 8,646,255	1.90

**Distribution of Tax:**

Special Revenues for credit to the Bank Department Fund

**Administered by:**

State Bank Department

**Cite:**

Arkansas Code (1987) 23-31-404; 23-32-228; 23-32-802; 23-32-1110; 23-36-107

### 8.3. BOILER INSPECTION FEES AND LICENSES

The Chief Inspector of the Boiler Inspection Division of the Department of Labor collects all fees, licenses, certificates and permits and deposits the monies in the State Treasury.

**Rate and Base:**

1. Certificate Inspection - \$30 for an unfired pressure vessel and \$15 for all other boilers.
2. Special Inspection Fee - \$100 plus expenses of State Inspector.
3. Certificate of Competency and Commission - \$25 and an annual renewal fee of \$15.
4. Annual inspection of each boiler by the Boiler Inspection Division, as follows:
  - Boilers up to & incl. 15 hp ..... \$10
  - Boilers over 15 hp to 50 hp, include..... \$13
  - Boilers over 50 hp to 100 hp, incl. .... \$18
  - Boilers over 100 hp to 150 hp, incl. .... \$20
  - Boilers over 150 hp to 250 hp, incl. .... \$23
  - Boilers over 250 hp to 500 hp, incl. .... \$35
  - Boilers over 500 hp ..... \$50

Shop inspections/day, \$440; per half day, \$220; plus expenses, including mileage not to exceed rate authorized by the State Legislature to employees of state agencies who furnish own transportation, and meals and lodging in accordance with daily allowance approved by State Legislature.

**Unfired Pressure Vessels:**

- 150 gal. or less..... \$ 9
  - 151 gal. to 500 gal ..... \$10
  - 501 gal. to 1,000 gal. .... \$11
  - 1,001 gal. to 2,000 gal. .... \$12
  - 2,001 gal. to 3,000 gal. .... \$13
  - 3,001 gal. to 5,000 gal. .... \$14
  - 5,001 gal. and over ..... \$18
5. Special Inspection - \$100 for each boiler, plus expenses of inspector.
  6. Fees for permits for installation of any boiler or unfired pressure vessels:
    - Boilers up to 25 hp, incl. .... \$15
    - Boilers over 25 hp to 50 hp, incl. .... \$20
    - Boilers over 50 hp to 100 hp, incl. .... \$25
    - Boilers over 100 hp to 200 hp, incl. .... \$30
    - Boilers over 200 hp to 300 hp, incl. .... \$50
    - Boilers over 300 hp to 400 hp, incl. .... \$60
    - Boilers over 400 hp to 500 hp, incl. .... \$70
    - Boilers over 500 hp ..... \$95

**Unfired Pressure Vessels, incl. hot water storage containers:**

- 500 gal. capacity or less ..... \$15
- 501 gal. to 1,000 gal. capacity ..... \$20
- 1,001 gal. to 5,000 gal. capacity ..... \$40
- 5,001 gal. capacity and over..... \$50
- Installation of Pressure Piping ..... \$100

7. All persons, firms or corporations engaged in the sale and/or installation of boilers, unfired pressure vessels, or hot water storage containers in any location shall be licensed by the Boiler Inspection Division to perform such work. The annual license fee shall be \$75 per year, payable in advance of January 31 of each calendar year. All persons, firms or corporations engaged in the repair of boilers and/or unfired pressure vessels shall be licensed by the Boiler Inspection Division. The annual license fee shall be \$75, payable in advance of January 31 of each calendar year.
8. The Boiler Inspection Division shall conduct examinations for each applicant seeking a boiler operator's license. This examination may be either written or oral. Each applicant shall pay a fee of \$25 for the examination and first license. Each license must be renewed annually. The annual renewal fee shall be \$17. Before the applicant may participate in an examination, he must have had not less than six months on-the-job training. Proof of this must be furnished to the Department by his employer prior to said examination. Optional pocket cards are \$8 each.

**Exemptions:**

Inspection and installation permit requirements on storage vessels located in service stations and garages; to boilers and unfired pressure vessels which are under inspection regulations of the Inter-state Commerce Commission of the U.S. Government; to boilers and unfired pressure vessels used for domestic purposes in private residence and apartment houses of eight or less apartments; to unfired pressure vessels where the working pressure is 15 PSI or less, or a volume of five cubic feet or less, or coil-type steam generators without accumulative drum, or to vessels used in connection with or the storage of liquefied petroleum gases, but all such unfired pressure vessels shall be constructed in compliance with the appropriate regulations applicable thereto. Further, the provisions of this Act shall not apply to inspection, installation permit requirements, or regulation of boilers and unfired pressure vessels used in connection with the production, distribution, storage or transmission of oil, natural gas or casing head gas.

**History:**

The inspection of steam boilers was begun April 1, 1917 by Act 428 of 1917 with the appointment of an Inspector of Steam Boilers by the Commission of Labor, and a fee of \$3 was established for the inspection of each boiler.

Act 369 of 1923 amended Act 428 of 1917 and authorized the following fees:

1. Certificate of Inspection - \$1.
2. Certificate of Competency and Commission as Inspector of Steam Boilers - \$1.
3. Duplicate Commission - \$1.

4. Annual inspection of boilers - \$7.50 for 1 boiler in a plant; where there were 2 or more boilers in a plant - \$7.50 for the 1st and \$5 for each additional boiler.
5. Special inspection - \$10 plus expenses of inspector.

Act 127 of 1937 repealed all laws in conflict and authorized the following fees:

1. Certificate of Inspection..... \$1.50
2. Certificate of Competency and Commission as Inspector of Steam Boilers .....\$10.00
3. Annual Renewal fee .....\$2.00
4. Duplicate Commission .....\$2.00
5. Annual inspection each boiler as follows:
  - a. Boilers of 5 hp and less .....\$3.00
  - b. Boilers over 5hp to 15 hp .....\$15.00  
(cover 25 hp)
  - c. Boilers over 25 hp.....\$8.00
  - d. Special inspection .....\$12.00  
plus expenses of inspector.

Act 494 of 1961 repealed all laws in conflict and established the following fees:

1. Certificate of Inspection for an unfired pressure vessel;.....\$5.00  
all other boilers. ....\$2.50
2. Certificate of Competency and Commission as Inspector of Steam Boilers .....\$10.00
3. Annual renewal fee .....\$5.00
4. Duplicate Commission .....\$5.00
5. Annual inspection fee as follows:
  - a. Boilers of 5 hp and less.....\$3.00
  - b. Boilers over 5 to 15 hp, incl.....\$5.00
  - c. Boilers over 15 to 50 hp, incl.....\$8.00
  - d. Boilers over 50 to 100 hp, incl.....\$10.00
  - e. Boilers over 100 to 150 hp, incl.....\$12.00
  - f. Boilers over 150 to 250 hp, incl.....\$15.00
  - g. Boilers over 250 to 500 hp, incl.....\$20.00
  - h. Boilers over 500 hp.....\$35.00
6. Shop inspection a day .....\$35.00  
½ day.....\$20.00

Unfired Pressure Vessels:

- 150 gal. capacity or less .....\$4.00
- 151 - 500 gal. capacity .....\$5.00
- 500 - 1,000 gal. capacity .....\$6.00
- 1,000 - 2,000 gal. capacity .....\$7.00
- 2,000 - 3,000 gal. capacity .....\$8.00
- 3,000 - 6,000 gal. capacity .....\$9.00
- 6,000 - 30,000 gal. capacity .....\$10.00

7. Special inspection - \$35 plus expenses of inspector.

8. The following fees shall be paid before permits may be issued for the installation of any boiler or unfired pressure vessel:

- a. Boilers 5 hp to 50 hp, incl. .... \$5.00
- b. Boilers over 50 to 100 hp, incl. .... \$10.00
- c. Boilers over 100 to 200 hp, incl. .... \$15.00
- d. Boilers over 200 to 500 hp, incl. .... \$25.00
- e. Boilers over 500 hp ..... \$50.00
- f. unfired pressure vessels including hot water storage containers:
  - i. 1,000 gal. capacity or less ..... \$5.00
  - ii. 1,000 - 5,000 gal. capacity ..... \$10.00
  - iii. Over 5,000 gal. capacity ..... \$20.00

9. Annual license fee for persons engaged in the sale and/or installation of boilers, unfired pressure vessels or hot water storage containers ..... \$25.00
10. Annual license fee for persons engaged in the repair of boilers and/or unfired pressure vessels ..... \$25.00
11. Boiler operator's license initial fee ..... \$5.00  
and renewal fee. .... \$2.00
12. Special inspection of insured boilers ..... \$37.50  
plus expenses of inspector.

Act 65 of the 1st Extraordinary Session of 1970 amended Act 494 of 1961 and increased the Boiler Inspection Fees, as follows:

1. Special inspection fee ..... \$37.50  
plus expenses of inspector.
2. Certification of Inspection  
for unfired pressure vessel;..... \$7.00  
for all other boilers ..... \$3.50
3. Certificate of Competency and Commission as Inspector of Steam Boilers ..... \$15.00
4. Annual renewal fee ..... \$10.00
5. Duplicate Commission ..... \$10.00
6. Renewal of lapsed commission ..... \$10.00
7. All annual inspection fees remained the same as contained in Act 494 of 1961 with the exception of Shop Inspection, which was increased to a day ..... \$50.00  
½ day ..... \$35.00
8. Permit fees for installation of any boiler or unfired pressure vessel remained the same as in Act 494 of 1961.
9. Annual license fee for persons engaged in the sale and/or installation of boilers, unfired pressure vessels or hot water storage containers ..... \$30.00
10. Annual license fee for persons engaged in the repair of boilers and/or unfired pressure vessels ..... \$30.00
11. Boiler operator's license initial fee ..... \$5.00  
renewal fee ..... \$3.00

Act 162 of 1975 increased the fees as follows:

1. Special inspection fee .....\$44.50  
plus expenses of inspector.
2. Certificate of inspection .....\$9.00  
for an unfired pressure vessel.
3. Certificate of Competency and Commission  
as Inspector of Steam Boiler .....\$25.00
4. Annual renewal fee .....\$10.00
5. Duplicate commission .....\$10.00
6. Renewal of lapsed commission .....\$10.00
7. Annual inspection fees as follows:
  - a. Boilers up to & incl. 15 hp.....\$6.00
  - b. Boilers over 5 - 50 hp, incl. ....\$9.00
  - c. Boilers over 50 - 100 hp, incl. ....\$12.00
  - d. Boilers over 100 - 150 hp, incl. ....\$14.00
  - e. Boilers over 150 - 250 hp, incl. ....\$17.00
  - f. Boilers over 250 - 500 hp, incl. ....\$25.00
  - g. Boilers over 500 hp.....\$40.00

Shop inspections \$85/day; \$50/half day; plus expenses including mileage, not to exceed rate authorized by the State Legislature to employees of state agencies who furnish own transportation, meals and lodging in accordance with daily allowance approved by State Legislature.

Unfired Pressure Vessels:

150 gal. or less .....	\$5.00
151 gal. to 500 gal. ....	\$6.00
501 gal. to 1,000 gal. ....	\$7.00
1,001 gal. to 2,000 gal.....	\$8.00
2,001 gal. to 3,000 gal.....	\$9.00
3,001 gal. to 5,000 gal.....	\$10.00
5,001 gal. to 6,000 gal.....	\$11.00
6,001 gal. and over.....	\$12.00

8. Installation fees, as follow:

Boilers up to & incl. 25 hp.....	\$ 5.00
Boilers over 25 - 50 hp, include.....	\$10.00
Boilers over 50 - 100 hp, incl. ....	\$15.00
Boilers over 100 - 200 hp, incl. ....	\$20.00
Boilers over 200 - 300 hp, incl. ....	\$30.00
Boilers over 300 - 400 hp, incl. ....	\$40.00
Boilers over 400 - 500 hp, incl. ....	\$50.00

Unfired vessels, including hot water storage containers:

500 gal. capacity or less .....	\$5.00
501 to 1,000 gal.....	\$10.00
1,000 to 5,000 gal.....	\$20.00
5,001 gal. and over .....	\$30.00

9. Annual license fee for persons engaged in the sale and/or installation of boilers, unfired pressure vessels or hot water storage containers ..... \$40.00
10. Annual license fee for person engaged in the repair of boilers and/or unfired pressure vessels ..... \$40.00
11. Boiler operator's license initial fee ..... \$7.00  
and renewal fee..... \$5.00

Act 404 of 1977 amended Act 162 of 1975 and increased various boiler inspection fees as follows:

Inspection Fees - There shall be paid for the annual inspection of each boiler by the Boiler Inspection Division, within 30 days from the date of inspection, the sum, as follows:

Boilers up to and incl. 15 hp .....	\$ 6.00
Boilers over 15 hp to 50 hp, incl.....	\$9.00
Boilers over 50 hp to 100 hp, incl.....	\$12.00
Boilers over 100 hp to 150 hp, incl.....	\$14.00
Boilers over 150 hp to 250 hp, incl.....	\$17.00
Boilers over 250 hp to 500 hp, incl.....	\$25.00
Boilers over 500 hp.....	40.00

Shop inspections \$110/per day; \$65 per half day, plus expenses including mileage, not to exceed the rate authorized by the State Legislature for employees of State agencies who furnish their own transportation, meals and lodging in accordance with the daily allowance approved by the State Legislature.

Unfired Pressure Vessels:

150 gal. or less.....	\$5.00
151 - 500 gal.....	\$6.00
501 - 1,000 gal.....	\$7.00
1,001 - 2,000 gal.....	\$8.00
2,001 - 3,000 gal.....	\$9.00
3,001 - 5,000 gal.....	\$10.00
5,001 - 6,000 gal.....	\$11.00
6,001 gal. and over .....	\$12.00

Act 526 of 1979 amended Act 404 of 1977 and increased various Boiler Inspection Fees as follows:

1. Special Inspection fee ..... \$50.00  
plus expenses of inspector.
2. Certificate of Inspection  
for an unfired pressure vessel and ..... \$10.00  
for all other boilers. .... \$5.00
3. Inspection Fees - There shall be paid for the annual inspection of each boiler by the Boiler Inspection Division within 30 days from the date of inspection the sum as follows:

Boilers up to 15 hp, incl. ....	\$8.00
Boilers over 15 hp - 50 hp, incl. ....	\$11.00
Boilers over 50 hp - 100 hp, incl. ....	\$15.00
Boilers over 100 hp - 150 hp, incl. ....	\$17.00
Boilers over 150 hp - 250 hp, incl. ....	\$20.00
Boilers over 250 hp - 500 hp, incl. ....	\$30.00
Boilers over 500 hp .....	\$45.00

Shop inspections - \$125/day; \$75/half day; plus expenses including mileage, not to exceed the rate authorized by the State Legislature to employees of state agencies, who furnish their own transportation, and meals and lodging in accordance with that approved by the State Legislature as a daily allowance.

Unfired Pressure Vessels:

150 gal. or less .....	\$7.00
151 - 500 gal. ....	\$8.00
501 - 1,000 gal. ....	\$9.00
1,001 - 2,000 gal. ....	\$10.00
2,001 - 3,000 gal. ....	\$11.00
3,001 - 5,000 gal. ....	\$12.00
5,001 gal. and over.....	\$15.00

- Special inspection fee - \$50 plus expenses of inspector.
- The following fees shall be paid before permits may be issued for the installation of any boiler or unfired pressure vessel:

Boilers up to 25 hp, incl. ....	\$10.00
Boilers over 25 hp to 50 hp, incl. ....	\$15.00
Boilers over 50 hp to 100 hp, incl. ....	\$20.00
Boilers over 100 hp to 200 hp, incl. ....	\$25.00
Boilers over 200 hp to 300 hp, incl. ....	\$40.00
Boilers over 300 hp to 400 hp, incl. ....	\$50.00
Boilers over 400 hp to 500 hp, incl. ....	\$60.00
Boilers over 500 hp .....	\$80.00

Unfired Pressure Vessels including hot water storage containers:

500 gal. capacity or less .....	\$10.00
501 - 1,000 gal. capacity .....	\$15.00
1,001 - 5,000 gal. capacity .....	\$30.00
5,001 gal. capacity and over.....	\$40.00

- Annual license fee for persons engaged in the sale and/or installation of boilers, unfired pressure vessels or hot water storage containers .....\$50.00
- Annual license fee for persons engaged in the repair of boilers and/or unfired pressure vessels .....\$50.00
- Boiler operators license initial fee .....\$10.00  
renewal fee.....\$7.00

Act 9 of 1981 established the present Boiler Inspection Fees.

Act 560 of 1991 increased various inspection fees charged by the Boiler Inspection Division of the Department of Labor.

Act 477 of 1993 provides for a permit fee of \$100 for the installation of pressure piping.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 550,435	2.28
2004	\$ 729,359	32.51
2005	\$ 768,118	5.31
2006	\$ 750,796	(2.26)
2007	\$ 798,168	6.31
2008	\$ 763,420	(4.35)
2009	\$ 798,644	4.61
2010	\$ 786,000	(1.58)
2011	\$ 779,362	(0.84)
2012	\$ 815,783	4.67
2013	\$ 825,589	1.20
2014	\$ 877,011	6.23

**Distribution of Tax:**

Special Revenues for credit to the Department of Labor Special Fund

Administered by:

Department of Labor

**Cite:**

Arkansas Code (1987) 20-23-105; 20-23-305; 20-23-306; 20-23-308; 20-23-311; 20-23-401; 20-23-402; 20-23-404; 20-23-405

## 8.4. CORPORATE FRANCHISE TAX

Every corporation is required to file an annual franchise tax report and pay an annual franchise tax to the State unless exempted by law.

### Rate and Base:

1. Each life, fire, accident, surety, liability, steam boiler, tornado, health, or other kind of insurance company of whatever nature, having an outstanding capital stock of less than five hundred thousand dollars (\$500,000) shall pay three hundred dollars (\$300). Each such company having an outstanding capital stock of five hundred thousand dollars (\$500,000) or more, shall pay four hundred dollars (\$400).
2. Each legal reserve mutual insurance corporation having assets of less than one hundred million dollars (\$100,000,000) shall pay three hundred dollars (\$300). Each such corporation having assets of one hundred million dollars (\$100,000,000) or more, shall pay four hundred dollars (\$400).
3. Each mutual assessment insurance corporation shall pay three hundred dollars (\$300).
4. Each mortgage loan corporation, an amount equivalent to three-tenths of one percent (0.3%) of that proportion of the par value of its outstanding capital stock that its aggregate outstanding loans made in the State of Arkansas bears to the total aggregate outstanding loans made in all states. No such corporation shall pay an annual tax of less than three hundred dollars (\$300).
5. Each corporation, other than those in subsections (b), (c), and (d) of this section, without authorized capital stock shall pay three hundred dollars (\$300).
6. Each corporation, other than those in subsections (a) through (e) of this section, an amount equivalent to three-tenths of one percent (0.3%) of that proportion of the par value of its outstanding capital stock that the value of real and personal property in the State of Arkansas bears to the total value of the real and personal property of the corporation. No such corporation shall pay an annual tax of less than one hundred and fifty dollars (\$150).
7. Each corporation, actually and actively in the process of liquidation and which does not rent or lease its property, but which retains its corporate charter or authority for the sole purpose of winding up its affairs, shall pay an annual tax as provided in subsection (f) of this section, or an amount equivalent to three-tenths of one percent (0.3%) of the value of its real and tangible personal property in Arkansas, whichever is the smaller, but in no instance shall the tax be less than one hundred and fifty dollars (\$150).

### Exemptions:

1. Every corporation that organizes or qualifies on or after July 1st of the reporting year shall not be required to pay the franchise tax for the year in which organized or qualified; and

2. Every corporation that dissolves or withdraws prior to May 1<sup>st</sup> of the reporting year shall not be required to pay the franchise tax for the year in which dissolved or withdrawn.

### History:

Act 443 of 1907 imposed the first corporation franchise tax as follows:

1. Capital stock of not over \$25,000 ..... \$10.00
2. Capital stock between \$25,000 and \$100,000 ..... \$25.00
3. Capital stock between \$100,000 and \$500,000 ..... \$50.00
4. Capital stock of more than \$500,000 ..... \$100.00

Act 260 of 1909 increased the franchise tax to the following rates:

Every corporation having an authorized capital stock of not over twenty-five thousand dollars (\$25,000), ten dollars (\$10); every such corporation having an authorized capital stock of more than twenty-five thousand dollars (\$25,000) and not over one hundred thousand dollars (\$100,000), twenty-five dollars (\$25); every such corporation having an authorized capital stock of more than one hundred thousand dollars (\$100,000) and not over five hundred thousand dollars (\$500,000), fifty dollars (\$50); every such corporation having an authorized capital stock of more than five hundred thousand dollars (\$500,000) and not over one million dollars (\$1,000,000), one hundred dollars (\$100); every such corporation having an authorized capital stock of more than one million dollars (\$1,000,000), two hundred dollars (\$200). Provided, that any corporation, either domestic or foreign, having no capital stock, shall pay an annual fee of fifty dollars (\$50); provided, however, nothing in this section shall apply to fraternal orders that write insurance, or any agricultural corporation organized for agricultural purposes only.

Act 112 of 1911 repealed Act 260 of 1909 and established the following rates for corporation franchise tax:

1. One twentieth of one percent upon the proportion of the outstanding capital stock represented by property owned and used in business transacted in this State.
2. Each corporation shall be charged the following fees:

A fee of twenty dollars for each corporation organized as a mutual insurance corporation not having a capital stock, or any other corporation not organized strictly for benevolent or charitable purposes, and having no capital stock, or of a company or association organized to transact business of life or accident, or of life and accident insurance on the assessment plan for the purpose of mutual protection and benefit to its members, and the payment of stipulated sums of money to the family, heirs, executors, administrators or assigns of the deceased member thereof. All foreign or domestic life, fire, accident, surety, liability, steam boiler, tornado, health, or other kind of insurance company of whatever nature doing business in this State, having an outstanding capital stock of less than \$500,000 shall pay an annual fee of \$50, and all other such insurance companies having a capital of more than \$500,000, an annual fee of \$100 for the privilege of doing business in this State, and all building and loan associations shall pay an annual fee to the State of \$25 for the privilege of doing business in this state; in place of fees based on the capital as herein before provided.



Act 122 of 1913 increased the tax on both foreign and domestic corporations from one-twentieth of one percent to one-fifteenth of one percent upon the outstanding capital stock employed in Arkansas and also changed the following fees:

1. A tax of \$100 for each corporation doing business for profit, organized as a mutual life, fire, accident, surety, health or other insurance company not having a capital stock and not organized strictly for benevolent or charitable purposes.
2. All foreign or domestic life, fire, accident, surety, liability, steam-boiler, tornado, health or other kind of insurance companies of whatsoever nature doing business in this State, having an outstanding capital stock of less than \$500,000 shall pay an annual tax of one hundred dollars (\$100) and all other such insurance companies having a capital of five hundred thousand dollars (\$500,000) or more, an annual tax of two hundred dollars (\$200) for the privilege of doing business in this State, and all building and loan associations shall pay an annual tax to the State of twenty-five dollars (\$25) for the privilege of doing business in this State in place of tax based on the capital as herein provided.
3. All foreign and domestic corporations qualifying under Chapter 31 of Kirby's Digest to do business in this State or organizing under the laws of this State as the case may be, which have no capital stock employed in this State, or which have a capital stock of less than thirteen thousand three hundred and thirty-three dollars (\$13,333) employed in this State, shall pay an annual tax of ten dollars (\$10).

Act 85 of 1917 amended Act 112 of 1911 and Act 122 of 1913 as follows:

1. A tax of one tenth of one percent upon that part of a corporation's outstanding capital stock employed in this State.

The above rate applied to both domestic and foreign corporations.

Act 278 of 1923 assessed the following tax on mortgage loan companies:

All foreign and domestic corporations qualifying under Chapter 38 of Crawford & Moses' Digest to do business in this State, as the case may be, which have no capital stock employed in this State, or which have a capital stock of ten thousand dollars (\$10,000) or less employed in this State shall pay an annual tax of ten dollars (\$10).

Act 236 of 1925 provided that foreign corporations doing business in this State shall pay the same tax as domestic corporations as enumerated below:

A tax of \$50 for each corporation organized as a mutual corporation not having a capital stock and not organized strictly for benevolent or charitable purposes; except, that legal reserve mutual insurance corporations having assets of one hundred million dollars, or more, shall pay a tax of \$200 and that such legal reserve mutual insurance corporation having assets of less than one hundred million dollars shall pay a tax of \$100, and provided further, that mutual assessment insurance corporations shall pay a tax of \$50. All foreign or domestic life, fire, accident, surety, liability, steam boiler, tornado, health or other kind of insurance companies of whatsoever nature doing business in this State having an outstanding capital stock of less

than five hundred thousand (\$500,000) dollars shall pay an annual tax of \$100 and all such insurance companies having a capital stock of five hundred thousand dollars (\$500,000) or more, an annual tax of \$200 for the privilege of doing business in this State.

All building and loan associations shall pay an annual tax to the State of \$50 for the privilege of doing business within this State in place of a tax based on the capital stock as herein before provided for other classes of corporations.

Act 271 of 1925 changed the tax on the capital stock from one-tenth of one percent to eleven-one-hundredths of one percent.

Act 220 of 1931 supplemented Act 236 of 1925 by adding a provision that a domestic corporation doing business entirely outside Arkansas shall pay an annual tax of \$5.

Act 304 of 1953 rewrote the Franchise Tax Law and established the following rates:

1. Each corporation organized under the laws of this State for the express purpose of doing business entirely outside the State of Arkansas, such organization being affected under any law of the State specifically permitting such character of incorporation, shall pay an annual franchise tax of \$5 and, except for ad valorem and franchise tax reports and taxes, such corporations shall be exempt from the obligation of filing any return, financial statement, or other report with any state or county official, and from the payment of any other taxes imposed upon corporations doing business, or authorized to do business, in the State of Arkansas.

All other corporations shall pay an annual franchise tax as follows:

- a. Each life, fire, accident, surety, liability, steam boiler, tornado, health, or other kind of insurance company of whatever nature, having an outstanding capital stock of less than five hundred thousand dollars (\$500,000), \$100; and each such company having an outstanding capital stock of five hundred thousand dollars (\$500,000) or more, \$200;
- b. Each legal reserve mutual insurance corporation having assets of less than one hundred million dollars (\$100,000,000), \$100; and for each such corporation having assets of one hundred million dollars (\$100,000,000) or more, \$200;
- c. Each mutual assessment insurance corporation, \$50;
- d. Each other corporation without capital stock, and which is not organized strictly for benevolent or charitable purposes, \$50;
- e. Each mortgage loan corporation, an amount equivalent to eleven one hundredths of one percent (11/100 of 1%) of that proportion of the par value of its outstanding capital stock that its aggregate outstanding loans made in the State of Arkansas bears to the total aggregate outstanding loans made in all states. Provided, no such corporation shall pay an annual tax of less than \$11;
- f. Each corporation, other than those herein above referred to, an amount equivalent to eleven-one-hundredths of one percent (11/100 of 1%) of that

proportion of the par value of its out-standing capital stock that the value of its real and personal property in the State of Arkansas bears to the total value of the real and personal property of the corporation. Provided, no such corporation shall pay an annual tax of less than \$11.

- g. Each corporation actually and actively in the process of liquidation and which does not rent or lease its property, but which retains its corporate charter or authority for the sole purpose of winding up its corporate affairs, shall pay an annual tax as provided in paragraph (f) hereof, or an amount equivalent to eleven-one-hundredths of one percent (11/100 of 1%) of the value of its real and tangible personal property in Arkansas, whichever is the smaller, but in no instance shall the tax be less than \$11.

Act 889 of 1979, which was an “Act to Revise and codify the Laws Relating to the Arkansas Corporation Franchise Tax,” established the following rates:

1. Each life, fire, accident, surety, liability, steam boiler, tornado, health, or other kind of insurance company of whatever nature, having an outstanding capital stock of less than five hundred thousand dollars (\$500,000) shall pay one hundred dollars (\$100). Each such company having an outstanding capital stock of five hundred thousand dollars (\$500,000) or more, shall pay two hundred dollars (\$200);
2. Each legal reserve mutual insurance corporation having assets of less than one hundred million dollars (\$100,000,000) shall pay one hundred dollars (\$100). Each such corporation having assets of one hundred million dollars (\$100,000,000) or more, shall pay two hundred dollars (\$200);
3. Each mutual assessment insurance corporation shall pay fifty dollars (\$50);
4. Each mortgage loan corporation, an amount equivalent to eleven-one-hundredths of one percent (0.11%) of that proportion of the par value of its outstanding capital stock that its aggregate outstanding loans made in the State of Arkansas bears to the total aggregate out-standing loans made in all states. No such corporation shall pay an annual tax of less than eleven dollars (\$11.00);
5. Each corporation, other than those in subsections (b), (c) and (d) of this section, without authorized capital stock:
  - a. with assets of ten thousand dollars (\$10,000) or less, shall pay twenty-five dollars (\$25);
  - b. with assets of more than ten thousand dollars (\$10,000) but less than fifty thousand dollars (\$50,000), shall pay fifty dollars (\$50); and
  - c. with assets of more than fifty thousand dollars (\$50,000), shall pay one hundred dollars (\$100);
6. Each corporation, other than those in subsections (a) through (e) of this section, an amount equivalent to eleven-one-hundredths of one percent (0.11%) of that proportion of the par value of its outstanding capital stock that the value of its real and personal property in the State of Arkansas bears to the total value of the real and personal property of the corporation. No such corporation shall pay an annual tax of less than eleven dollars (\$11);

7. Each corporation, actually and actively in the process of liquidation and which does not rent or lease its property, but which retains its corporate charter or authority for the sole purpose of winding up its affairs, shall pay an annual tax as provided in subsection (f) of this section, or an amount equivalent to eleven-one-hundredths of one percent (0.11%) of the value of its real and tangible personal property in Arkansas, whichever is the smaller, but in no instance shall the tax be less than eleven dollars (\$11).

Act 863 of 1983 increased the minimum tax from \$11 to \$17.

Act 19 of 1987 transferred collection of corporate franchise taxes from the Revenue Department to the Secretary of State.

Act 29 of the 1st Extraordinary Session of 1987 increased corporate franchise taxes as follows:

Each mutual assessment insurance corporation increased from \$50 to \$100.

Each mortgage loan corporation increased from 0.11% to 0.27% of the portion of the par value of its outstanding stock that outstanding loans made in Arkansas bears to its total outstanding loans made in all states. Minimum tax increased from \$17 to \$100. Maximum tax is \$1,075,000.

Each corporation without capital stock and not otherwise provided for increased to \$100 from a graduated scale of \$25 to \$100. Each other corporation, including those in the process of liquidation, increased from 0.11% to 0.27% that portion of capital stock that value of corporate property in Arkansas bears to value of all its corporate property in all states. Minimum tax increased from \$17 to \$50. Prescribes maximum tax of \$1,075,000. Applies to corporate franchise tax reports due on and after January 1, 1988.

Act 1046 and 1140 of 1991 changes the date for filing franchise tax reports and payments to June 1, and eliminates initial franchise tax filing and the extension of time for filing. Provides that the Secretary of State shall revoke charters for failure to pay franchise tax.

Act 1285 of 1993 levies a franchise tax of \$3.00 per year or every corporation required to report and remit franchise taxes. The tax is deposited as special revenue and credited to the Signature Imaging System Fund.

Act 772 of 1995 requires corporations to pay the franchise tax for the prior year at the time of dissolution and the minimum tax for the year in which the corporation dissolves.

Act 479 of 1997 provides that organizations formed pursuant to the Small Business Entity Tax pass through Act (4-32-101 et seq.) shall pay the minimum Franchise Tax.

Act 1037 of 1999 provides that a corporation failing to comply with the Secretary of State's franchise tax filing and remittance requirements shall be assessed a \$25 penalty plus interest at the rate of 10% per annum (on tax and penalty due) with the tax, interest, and penalty not to exceed two (2) times the corporation's tax owed.

Act 94, Second Extraordinary Session of 2003 increased the corporate franchise annual tax rate (to 0.3%) and the minimum tax amount due (\$150), effective calendar year 2004. The maximum tax cap of \$1,075,000 is hereby repealed. Act 94 also repeals the language associated with the additional \$3 tax (see Act 1285 of 1993, above) previously credited to the Signature Imaging System Fund.

Act 1079 of 2013 amends the deadline for the Secretary of State to proclaim corporate charter forfeitures to January 31 of each year.

Act 1093 of 2013 changes the deadline for corporate franchise tax filing and remittance to May 1.

**Revenues Generated:**

General Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 7,694,585	(9.84)
2004	\$ 8,595,198	11.70
2005	\$ 7,889,979	(8.20)
2006	\$ 8,000,000	1.39
2007	\$ 8,000,000	0.0
2008	\$ 8,000,000	0.0
2009	\$ 8,000,000	0.0
2010	\$ 8,000,000	0.0
2011	\$ 8,000,000	0.0
2012	\$ 8,000,000	0.0
2013	\$ 8,000,000	0.0
2014	\$ 8,000,000	0.0

**Revenues Generated:**

**Special Revenues**

Educational Adequacy

Fiscal Year Ending June 30	Amount	%Change
2005	\$ 11,184,515	--
2006	\$ 10,990,603	(1.73)
2007	\$ 12,614,072	14.77
2008	\$ 12,786,775	1.37
2009	\$ 14,128,588	10.49
2010	\$ 14,672,389	3.85
2011	\$ 14,897,744	1.54
2012	\$ 14,802,127	(0.64)
2013	\$ 17,474,801	18.06
2014	\$ 17,924,303	2.57

**Distribution of Tax:**

Within each fiscal year, the first eight million dollars (\$8,000,000) will be deposited by the State Treasurer into the General Revenue Fund Account and all Corporate Franchise Tax revenues collected thereafter shall be deposited in the Educational Adequacy Fund.

**Administered by:**

Secretary of State

**Cite:**

Arkansas Code (1987) 26-54-104

## 8.5. COSMETOLOGY BOARD FEES

Every corporation is required to file an annual franchise tax. The Cosmetology Board collects all authorized fees and deposits them in the State Treasury.

Rate and Base:

Examination Fees:

1. For examination as a Cosmetician or Cosmetologist, \$30.
2. For examination as an Electrologist, \$30.
3. For examination as a Manicurist, \$30.
4. For examination as an Instructor, \$30.
5. For examination as an Electrology Instructor, \$30.
6. For examination as an Aesthetician is, \$30

Reciprocity Fees:

1. To register a Cosmetician or Cosmetologist registered in another state, \$38, plus annual license fee.
2. For registering an Electrologist registered in another state, \$38, plus annual license fee.
3. For registering a Manicurist registered in another state, \$38, plus annual license fee.
4. For registering an Instructor registered in another state, \$38, plus annual license fee.
5. For registering an Electrology Instructor registered in another state, \$38, plus annual license fee.
6. For registering an Aesthetician registered in another state, \$38, plus annual license fee.

Fee Schedule:

1. Renewal of Cosmetician or Cosmetologist license, \$12 annually.
2. Renewal of Electrology license, \$12 annually.
3. Renewal of Manicuring license, \$12 annually.
4. Renewal of Instructor's license, \$12 annually.
5. Renewal of Electrology Instructor's license, \$12 annually.
6. For registering a new cosmetological establishment, \$30, plus annual license fee.
7. Renewal of a cosmetological establishment, \$20 annually.
8. Original registration for opening of a school of Cosmetology, \$500.
9. Renewal of a Cosmetology school license, \$100 annually.
  - a. In addition, every school shall make a bond, to be approved by the Attorney General, in the amount of \$5,000 payable to the State of Arkansas for the protection of the duly enrolled students of said school. Any student may bring an action in the Circuit Court of the proper county to execute against said bond in the event the cosmetology school in which said student is enrolled should fail to remain accredited by the Board and in operation throughout the student's period of registration.

10. For issuance of a duplicate license, \$2.
11. Demonstrator's license for persons coming in contact with patron, who are not licensed as a cosmetologist but demonstrate wigs, cosmetic and beauty shop products, \$15 annually. Any person cleaning or servicing wigs shall be a licensed cosmetologist so that health regulations can be enforced for the protection of the general public.
12. Beauty School Student Registration Fee, \$10.
13. Transfer papers of Board records, \$5.
14. Reinstatement fee: For Cosmetologist, Electrologist, Aesthetician, Manicurist, Instructor's and Electrology Instructor's, the reinstatement fee is 50% of the renewal fee for each year the license is not renewed by January 31<sup>st</sup>, up to five years, at which time the license shall lapse.
15. For cosmetology schools and cosmetological establishments, the reinstatement fee is 50% of the renewal fee after January 31<sup>st</sup>.
16. Renewal of Aesthetician license, \$12 annually.

### Exemptions:

All persons authorized by the laws of this State to practice medicine, surgery, dentistry, pharmacy, osteopathy, chiropractic, naturopathy or podiatry.

Barbers, insofar as their usual and ordinary vocation and profession is concerned.

Employees employed to render cosmetological services in the course of and incidental to the business of employers engaged in the theatrical, radio, television or motion picture production industry.

Individuals and employees rendering cosmetological services in the course of, in connection with and incidental to the preparation of bodies for burial, or the business of embalmers and undertakers.

### History:

#### COSMETOLOGIST OR MANICURIST

Year	Act	Exam	License
1925	158	\$10	\$ 5.00
1939	168		\$ 2.50
1943	30		\$10.00(temp.)
1947	339		\$ 2.50-5.00
1955	358	\$10-15	\$ 2.50-5.00
1961	490	\$15	\$ 2.50
1969	400	\$15	\$ 5.00
1975	644	\$20	\$ 8.00
1985	188	\$30	\$12.00

**INSTRUCTOR**

Year	Act	Exam	License
1925	158	\$10	\$ 5.00
1939	168		\$ 2.50
1955	358	\$15-25	\$ 2.50-5.00
	Electrology	\$25-40	
1961	490	\$25	\$ 5.00
1969	400	\$25	\$ 5.00
	Electrology	\$25	\$ 5.00
1975	644	\$30	\$10.00
	Electrology	\$30	\$10.00
1985	188	\$30	\$12.00

**RECIPROCITY**

Year	Act	Registration Fee
1943	30	\$15
1947	339	Board
1955	358	\$25-40
1961	490	\$25
1969	400	\$25
1975	644	\$38
1985	188	\$38 + annual fee

**COSMETOLOGY ESTABLISHMENT**

Year	Act	License Fee
1947	339	\$ 5
1955	358	\$ 5-10
1961	490	\$ 5
1969	400	\$10-25
1975	644	\$15-40
1985	188	\$20

**COSMETOLOGY SCHOOL**

Year	Act	New	Renewal
1925	58	\$ 50	\$ 50
1947	339	100	100
1955	358	25-40	25-40
1961	490	100	100
1969	400	500	100
1975	644	500	100 + \$5,000

**DEMONSTRATOR**

Year	Act	Annual Fee
1969	400	\$15
1975	644	\$15

**STUDENT REGISTRATION**

Year	Act	Fee
1925	158	\$ 1
1947	339	-0-
1975	644	\$ 5
1985	188	\$10

**REINSTATEMENT**

Year	Act	Fee
1955	358	\$ 5-20
1961	490	\$5

1969	400	10/yr. not renewed (lapse in 5 years)
1975	644	16/yr. not renewed 20/yr. not renewed for Instructor & Electrology 5 year lapse. 40 hours added training every two years required.
1985	188	50% of renewal fee each year license not renewed.

**ELECTROLOGIST**

Year	Act	Exam	License
1955	358	\$ 20-35	
1961	490	\$25	
1965	403	\$ 5	
1969	400	\$25	\$ 5
1975	644	\$30	\$ 8
1985	188	\$30	\$12

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 442,115	0.51
2004	\$ 463,390	4.81
2005	\$ 483,349	4.31
2006	\$ 484,877	0.32
2007	\$ 494,442	1.97
2008	\$ 659,069	33.30
2009	\$ 607,664	(7.80)
2010	\$1,411,570	132.29
2011	\$1,877,373	33.00
2012	\$1,653,839	(11.91)
2013	\$1,398,057	(15.47)
2014	\$1,216,548	(12.98)

**Distribution of Tax:**

Special Revenues for credit to the Cosmetology Operating Fund.

**Administered by:**

Board of Cosmetology

**Cite:**

Arkansas Code (1987) 17-26-210

Act 756 of 2013 provides for the licensure of electrical inspectors.

<b>8.6. ELECTRICAL EXAMINERS BOARD FEES</b>
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The Board of Electrical Examiners collects the fees for licenses from electricians and electrical contractors and deposits the money in the State Treasury.

**Rate and Base:**

1. Examinations:
  - a. Master Electrician ..... \$100
  - b. Journeyman Electrician ..... \$100
  - c. Industrial Maint. Electrician ..... \$ 50
  - d. Residential Master Electrician ..... \$100
  - e. Residential Journeyman Electrician..... \$100
  - f. Air Conditioning Electrician..... \$100
2. License Fees and Renewal:
  - a. Master Electrician..... \$50/year
  - b. Journeyman Electrician ..... \$25/year
  - c. Industrial Maint. Electrician ..... \$25/year
  - d. Residential Master Electrician ..... \$50
  - e. Residential Journeyman Electrician..... \$25
  - f. Air Conditioning Electrician..... \$25
  - g. Registration for Electrician Apprentice ... \$10/Annually
  - h. Electrical Contractor..... \$100/year
  - i. Electrical Inspector..... \$50/year, exempt from renewal fee if licensed as a master or journeyman electrician.
3. Penalty for failure to renew license within six months after renewal date:
  - a. Master Electrician – \$20 plus regular renewal fee
  - b. Journeyman Electrician – \$10 plus regular renewal fee
  - c. Industrial Maint. Electrician - \$10 plus regular renewal fee

**Exemptions:**

None

**History:**

The Electrical Examining Board was created by Act 870 of 1979, and the license fees were authorized by the Act.

Act 866 of 1983 established the category of Industrial Maintenance Electrician and established fee schedule for same.

Act 831 of 1993 increased the examination and license fee.

Act 1289 of 1997 provides for examination and licensing fees for residential master and journeyman electricians and for air conditioning electricians.

Act 1230 of 2005 allows Department of Labor to impose civil penalty against a person for violations of laws or rules governing electricians and allows appeals to the Board of Electrical Examiners.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 499,420	(1.14)
2004	\$ 482,609	(3.37)
2005	\$ 508,813	5.43
2006	\$ 518,105	1.83
2007	\$ 396,425	(23.49)
2008	\$ 497,226	25.43
2009	\$ 581,382	16.93
2010	\$ 364,359	(37.33)
2011	\$ 492,285	35.11
2012	\$ 531,975	8.06
2013	\$ 320,138	(39.82)
2014	\$ 507,329	58.47

**Distribution of Tax:**

Special Revenues for credit to the Department of Labor Special Fund.

**Administered by:**

Board of Electrical Examiners

**Cite:**

Arkansas Code (1987) 17-28-203; 17-28-301; 17-28-302;  
17-55-101

## 8.7. EMPLOYMENT AGENCY LICENSE FEES

### Cite:

Arkansas Code (1987) 11-11-215; 11-11-216; 11-11-217; 11-11-218

No person shall engage in the business of or act as an employment agency, agency manager or counselor unless he obtains a license from the Department of Labor. The Director collects the license fees and deposits them in the State Treasury.

### Rate and Base:

1. Temporary license fees: For operation of a private employment agency for no more than ninety days - \$100; agency manager or employment counselors for no more than ninety days - \$10
2. Permanent license fees:
  - a. Employment agency - annual fee of \$250
  - b. Employment agency manager - annual fee of \$25
  - c. Counselor - annual fee of \$20
  - d. Each change of office location - \$10
  - e. Examination Fee - \$5.

### Exemptions:

None

### History:

Act 4 of the Extraordinary Session of 1923 enacted the first Act regulating employment agencies and levied a license fee of \$200 per year for the operation of a private employment agency. Such fees were to be paid to the Commissioner of Labor.

Act 493 of 1975, the "Arkansas Private Employment Agency Act of 1975" set the license fees that are presently in force as shown under "Rate and Base" above.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 3,280	1.71
2004	\$ 2,670	(18.60)
2005	\$ 3,150	17.98
2006	\$ 15	(99.52)
2007	\$ 8,180	544.33
2008	\$ 6,440	(21.27)
2009	\$ 12,345	91.69
2010	\$ 10,400	(15.76)
2011	\$ 14,815	42.45
2012	\$ 12,315	(16.87)
2013	\$ 29,320	138.08
2014	\$ 27,245	(7.08)

### Distribution of Tax:

General Revenues

### Administered by:

Director of the Department of Labor



## 8.8. ENVIRONMENTAL ASSURANCE FEE

**Cite:**

Arkansas Code (1987) 8-7-906

The fee is levied on each gallon of motor fuel or distillate special fuel imported into the state. The fee is paid by the first distributor or supplier receiving fuel from a terminal in this state. The fee is collected in the same manner as Motor Fuel Tax and the Special Motor Fuel Tax and is credited to the Petroleum Storage Tank Trust Fund.

**Rate and Base:**

Two-tenths of one cent (2/10 of 1¢) per gallon

**Exemptions:**

None

**History:**

Act 173 of 1989 established the Environmental Assurance Fee at 2/10 of 1¢ per gallon of motor fuel or distillate special fuel imported into the state. The fee is collected until the fund reaches \$10 million, then it is reduced to a rate determined by the Board.

Act 65 of the 3rd Extraordinary Session of 1989 increased to 15 million the amount of money to be maintained in the trust fund.

Act 1054 of 1995 provides that the environmental assurance fee shall be pledged revenues for the purpose of servicing bonds for the purpose of financing the cost of compensating tank owners or operators for third-party claims from the Petroleum Storage Tank Trust Fund. If bonds are issued, the fee shall be collected, irregardless of the amount of money in the fund.

Act 670 of 2005 increases the petroleum environmental assurance fee to 3¢ and increases the maximum interim payment limitations.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 4,845,544	21.09
2004	\$ 5,009,477	3.38
2005	\$ 4,932,133	(1.54)
2006	\$ 6,434,367	30.46
2007	\$ 7,574,209	17.71
2008	\$ 7,501,796	(0.96)
2009	\$ 7,320,577	(2.42)
2010	\$ 7,330,090	0.13
2011	\$ 7,337,997	0.11
2012	\$ 7,223,986	(1.55)
2013	\$ 7,409,724	2.57
2014	\$ 7,256,883	(2.06)

**Distribution of Tax:**

Special Revenues credited to the Petroleum Storage Tank Trust Fund

**Administered by:**

Department of Finance and Administration - Revenue Services Division

## 8.9. FEED INSPECTION AND EXEMPTION PERMIT FEES

Each manufacturer or seller of concentrated feeds transported into this State for sale and/or consumption pays to the State Plant Board an inspection fee, and any manufacturer who desires to be exempt from the inspection fee may obtain an exemption permit upon making an application and paying a fee. All fees are remitted by the State Plant Board to the State Treasury.

### Rate and Base:

1. Inspection Fee .....30¢ per ton
2. Exemption Permit Fee .....\$10.00
3. Inspection Fee (less than 25 tons) .....\$10.00
4. License Fee .....\$10/Facility
5. Late Fee .....\$30 plus  
License Fee

### Exemptions:

A commercial feed if the payment has been made by a previous distributor.

Customer-formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients therein.

Commercial feeds which are used as ingredients for the manufacture of commercial feeds if the fee has already been paid.

### History:

Act 161 of 1911 imposed a 25¢ per ton inspection fee on commercial feeding stuffs.

Act 191 of 1917 amended Act 161 of 1911 and reduced the inspection fee on concentrated commercial feeding stuffs to 20¢ per ton.

Act 293 of 1929 reduced the inspection fee to 10¢ per ton.

Act 49 of 1969 provided the exemption of feed stuffs used for feeding poultry or animals owned by the manufacturer and imposed \$5 Exemption Permit Fee.

Act 120 of 1979 increased the inspection fee to 15¢ per ton.

Act 238 of 1983 increased the inspection fee to 20¢ per ton, and established the \$5.00 inspection fee on concentrated feed stuffs distributed in quantities of 25 tons or less.

Act 726 of 1997 amended the various fees for feed inspection.

### Revenues Generated:

See Plant Board Fees

### Distribution of Tax:

Special Revenues for credit to the State Plant Board Fund

### Administered by:

State Plant Board

### Cite:

Arkansas Code (1987) 2-37-102; 2-37-114

## **8.10. FERTILIZER INSPECTION FEES**

The State Plant Board collects an inspection fee on all commercial fertilizers and fertilizer materials which are shipped for sale or consumption in this State; the Board deposits \$0.31 of the amount collected in the State Treasury; and \$0.89 is remitted to the University of Arkansas to be deposited in bank accounts to be used for soil testing service and soil fertility research.

### **Rate and Base:**

\$1.20 per ton

### **Exemptions:**

None

### **History:**

The fertilizer inspection fee was imposed by Act 398 of 1907 at the rate of 25¢ per ton.

Act 165 of 1929 established the fertilizer inspection fee at 12.5¢ per ton.

Act 301 of 1953 increased the inspection fee to 37.5¢ per ton.

Act 398 of 1981 established the present fee of \$1.10 per ton.

Act 783 of 1993 increased the fertilizer inspection fee from \$1.10/ton to \$1.20/ton.

### **Revenues Generated:**

See Plant Board Fees

### **Distribution of Tax:**

\$0.31 - Special Revenues for credit to the Plant Board Fund and  
\$0.89 - to University of Arkansas Soil Testing and Research  
Fund.

### **Administered by:**

State Plant Board

### **Cite:**

Arkansas Code (1987) 2-19-209

## 8.11. HEALTH DEPT. LICENSES AND FEES

The State Department of Health collects various licenses and fees, part of which are deposited in the State Treasury.

### Rate and Base:

(20-7-123):

1. Delayed registration of birth .....\$ 2.50
2. Delayed certificate of death or marriage .....\$ 2.50
3. New certificate .....\$ 5.00
4. Marriage application .....\$ 1.00
5. Amendments to records .....\$ 2.00
6. Certification of any certificate other than death....\$ 8.00
7. Additional copies of certification of any certificate other than death.....\$ 5.00
8. Certification of birth, marriage or divorce records.....\$ 5.00
9. Certification of death certificate .....\$ 8.00
10. Copy of death certificate.....\$ 3.00
11. Search fee for birth, marriage or divorce .....\$ 8.00
12. Search fee for death records.....\$ 8.00
13. Review of plans and specification .....\$ 50 to \$500
14. Cemetery inspection .....\$50.00
15. Marriage License .....\$10.00  
(9-30-109)
16. Medical identification tags and bracelets.....50¢ for tags and \$1.00 for bracelets (20-7-119)
17. Nursing home administrator license .....\$100.00  
annual fee (20-10-405)
18. Nursing home administrators not actively employed .....\$50.00
19. Food salvagers and food salvage distributors permits .....\$150.00  
(20-57-102)
20. Food service permits..... Not to exceed \$105.00 (20-57-204)
21. Temporary food establishment permit .....\$ 5.00
22. Out of state water bottler sales permit .....\$50.00

(20-59-404):

1. Milk producer and milk plant \$.030 per 100 pounds of Grade "A" milk
2. Inspection fee of \$10.00 for each sample analyzed of imported raw Grade "A" milk
3. Producer - Distributor \$.065 per 100 pounds
4. Milk Hauler who samples and transports Grade "A" milk in the State - annual permit of \$10.00
5. Distributors of Grade "A" milk processed by plants outside of Arkansas and sold in the State \$.030 per 100 pounds or a monthly minimum fee of \$200.00 plus \$10.00 for each sample analyzed

6. Single service plants not paying milk inspection fees - \$200.00
7. Nuclear planning and response program fees - an amount as shall be determined by the Chief Fiscal Officer; which amount shall not be in excess of the total appropriated for the program. (20-21-404)

(20-13-211):

1. Emergency Medical Technician Examination - Not to exceed \$20.00
2. Biennial renewal of Emergency Medical Technician - certification not to exceed \$20.00
3. Issuance and annual renewal of each ambulance service - not to exceed \$50.00
4. Annual inspection of emergency vehicles – not to exceed \$5.00 per vehicle
5. Issuance and renewal of operational air ambulance license not to exceed - \$100.00
6. Septic tank permit - \$30.00; septic tank installer - \$50.00 (14-236-116)
7. Septic tank cleaner - \$25.00 (17-38-103)
8. Septic tank manufacturers - \$100.00 Annual Training Fee - \$50.00
9. Individual sewage disposal permit per size of structure
  - Up to 1500 square feet - \$30
  - Up to 2000 square feet - \$45
  - Up to 3000 square feet - \$90
  - Up to 4000 square feet - \$120
  - Above 4000 square feet - \$150
  - Alteration, repair or extension - \$50
  - Subdivision development maximum - \$1500
10. Alteration, repair or extension - \$50
11. Subdivision development maximum - \$1500
12. Frozen Dessert Manufacturer's License - \$60.00-\$800.00, based on previous year's production (20-59-207)
13. Dairy Plant License (Fluid Milk) - \$100.00- \$1,000.00, based on pounds of milk received the previous year; Dairy Plant License (Cream) - \$100.00-\$800.00, based on pounds of butterfat received the previous year (20-59-206)
14. Transfer plant receiving fluid milk - fee based on ½ of fees of Dairy plant purchasing fluid milk - \$25.00-\$250.00; Transfer plant receiving cream - fee based on ½ of fees of Dairy plant purchasing cream - \$25.00-\$250.00 (20-59-208)
15. Mellorine plant license - \$60.00-\$800.00, based on previous year's production (20-59-209)
16. Milk tester - \$10.00 (20-59-211)
17. Sampler and Graders license - \$10.00 (20-59-210)

### Exemptions:

Certified copies of records are furnished to veterans or their dependents without cost when the Veterans Administration requires copies of such records.

## History:

Act 96 of 1913 created the State Board of Health and provided that it should establish a Bureau of Vital Statistics to provide an adequate system for the registration of births and deaths. The Secretary of the State Board of Health was made the State Registrar of Vital Statistics.

The following Acts established the following fees, licenses and permits since the creation of the State Board of Health:

1. Death Certificate ..... Act 96 of 1913
2. Delayed registration of death ..... Act 196 of 1947
3. Delayed registration of birth ..... Act 196 of 1947
4. Delayed registration of marriage ..... Act 471 of 1965
5. Court report of adoption ..... Act 137 of 1935
6. New certificate of birth ..... Act 471 of 1965
7. Marriage license registration ..... Act 149 of 1917
8. Filing of each divorce complaint ..... Act 612 of 1923
9. Amendment of any record ..... Act 471 of 1965
10. Certificate of Birth ..... Act 969 of 1913
11. Examination and search of files ..... Act 52 of 1955
12. Review of plans required to be reviewed by the Board of Health ..... Act 469 of 1965
13. Cemetery inspection ..... Act 469 of 1965
14. Reviewing plans of food service or food processing plants ..... Act 469 of 1965
15. Biological premarital blood test ..... Act 469 of 1965
16. Medical identification tags and bracelets... Act 433 of 1965
17. Hospital or Nursing Home annual license . Act 414 of 1961
18. Nursing home administrator license ..... Act 58 of 1969
19. Food salvagers and food salvage distributors permits ..... Act 357 of 1977
20. Food service permits ..... Act 357 of 1977
21. Milk producer and milk plant ..... Act 409 of 1977
22. Inspection fee of \$5.00 for each sample analyzed of imported raw Grade "A" milk ..... Act 409 of 1977
23. Producer - Distributor \$.05 per 100 pounds of Grade "A" milk produced or sold ..... Act 409 of 1977
24. Milk Hauler who samples and transports Grade "A" milk in the State ..... Act 587 of 1981
25. Distributors of Grade "A" milk processed by plants outside of Arkansas and sold in the State ..... Act 409 of 1977
26. Nuclear planning and response program fees Act 67 of 1980
27. Emergency Medical Technician Examination ..... Act 435 of 1975
28. Biennial renewal of Emergency Medical Technician ..... Act 435 of 1975
29. Issuance and annual renewal of each ambulance service ..... Act 435 of 1975
30. Annual inspection of emergency vehicles Act 435 of 1975
31. Septic tank permit ..... Act 402 of 1977

32. Septic tank installer ..... Act 402 of 1977
33. Septic tank cleaner ..... Act 402 of 1977
34. Frozen Dessert Manufacturer's License ... Act 114 of 1941
35. Dairy Plant License ( Fluid Milk) ..... Act 98 of 1973
36. Dairy Plant License (Cream) ..... Act 98 of 1973
37. Transfer plant receiving fluid milk ..... Act 98 of 1973
38. Transfer plant receiving cream ..... Act 98 of 1973
39. Mellorine plant license ..... Act 416 of 1953
40. Milk tester ..... Act 114 of 1941
41. Sampler and Graders ..... Act 114 of 1941

Act 738 of 1983 amended Act 58 of 1969 and provided that the Nursing Home Administrator License Fees are to be deposited in the State Treasury for credit to the Social Services Fund Account to be used for the maintenance and operation of the Office of Long Term Care.

Act 351 of 1985 amended those fees for items 1 through 9 listed in the Rate and Base section.

Act 95 of 1987 established the Public Supervision Program within the Department of Health and established an annual fee structure for Public Water Systems. All fees collected under this Act are credited to the Public Health Fund.

Act 143 of 1987 amended Act 414 of 1961 and provided the following annual fees:

1. Hospital ..... \$2.00 per bed or \$50.00, whichever is greater, not to exceed \$1,000
2. Outpatient Surgery Center ..... \$500.00
3. Recuperation Center:
  - a. Hospital Based ..... \$50/facility
  - b. Free Standing ..... \$500/facility
4. Alcohol/Drug Abuse Treatment Center:
  - a. Hospital Based ..... \$50/facility
  - b. Free Standing ..... \$500/facility
5. Outpatient Psychiatric Centers:
  - a. Hospital Based ..... \$50/facility
  - b. Free Standing ..... \$500/facility
6. Infirmaries ..... \$50/facility

Fees collected under this Act are credited to the Public Health Fund.

Act 144 of 1987 authorized the levy of an annual license fee of \$500 for each abortion clinic. All fees collected under this Act are credited to the Public Health Fund.

Act 146 of 1987 authorized collection of \$10 for each water sample submitted for coliform examination and a fee of \$35 for each water sample submitted for asbestos analysis. All fees collected under this Act are credited to the Public Health Fund.

Act 219 of 1987 levied a \$5 fee for the issuance of a birth certificate for persons born in a foreign country and persons whose adoption is effected pursuant to an Arkansas Court Order.

Act 264 of 1987 amended Act 454 of 1975, the Health Maintenance Organization Act, to provide the payment of the

following fees to the Department of Health as “Special Revenues” credited to the Public Health Fund:

3. Issuance of original Certificate of Authority ..... \$1,000
4. Annual renewal ..... \$50
5. Filing annual statement ..... \$50
6. Filing of amendments ..... \$25

Act 320 of 1987 increased the Nursing Home Administrators License from \$50 to \$100.

Act 345 of 1987 provided for the licensing of air ambulance services. The fee for issuance and renewal of licenses is not to exceed \$100.

Act 397 of 1987 levied an additional fee of \$5 for each marriage license. Monies collected from the additional fee are to be deposited in the Children’s Trust Fund.

Act 399 of 1987 increased to 1% of the estimated cost the fee charged by the Health Department to review plans required to be reviewed by the Board of Health. Half of the monies collected are to be deposited as “Pledged Revenues” in the Health Revenue Bond Fund and half to the Public Health Fund.

Act 435 of 1987 levied an annual registration fee of \$100 on septic tank manufacturers; increased from \$25 to \$50 the annual fee for septic tank installers; increased from \$10 to \$25 the Septic Tank Permit; levied a fee for the issuance of a review certificate ranging from a minimum of \$15 to a maximum of \$500. The distribution of the above fees is as follows:

2/3 of the Septic Tank Manufacturers fee and all of the Installers fee and Review Certificate Fees are credited to the Public Health Fund;

1/3 of the Septic Tank manufacturer fees are credited to the Individual Sewage Disposal Systems Improvement Fund.

Act 451 of 1987 increased the fee for food salvagers from \$100 to \$150.

Act 504 of 1987 establishes the various fees for the use of radioactive material and X-ray equipment. All fees collected under this Act are credited to the Public Health Fund.

Act 534 of 1987 increased the following fees:

1. Frozen dessert manufacturers to \$30 minimum, \$600 maximum;
2. Dairy Plant License (fluid milk) to \$50 minimum, \$500 maximum
3. Dairy Plant License (cream) to \$50 minimum, \$400 maximum;
4. Transfer Plant (fluid milk) to \$25 minimum, \$250 maximum;
5. Transfer Plant (cream) to \$25 minimum, \$200 maximum;
6. Mellorine Plant License to \$30 minimum, \$600 maximum.

The above fees are based on previous year’s production. This Act also increased from \$5 to \$10 the annual license fees for Milk Testers, Samplers and Graders. This Act also established a \$25 annual Manufacturing Milk Fee.

Act 623 of 1987 authorized the Health Department to regulate public swimming pools and levied a \$25 annual permit fee. If

the swimming pool is operated in conjunction with a food service establishment, the annual fee is \$10.

Act 634 of 1987 increased from \$5 to \$10 the fee for each sample of Grade “A” milk analyzed, and established a \$100 permit fee for single service plants not paying the Milk Inspection fee.

Act 677 of 1987 levied a fee of \$2/visit to local health units, or \$10/client to cover all visits for one year. Funds collected are to be used exclusively for support of the Bureau of Community Health Services.

Act 714 of 1987 increased from 10¢ to \$160 per bed the license fee for nursing homes.

Act 903 of 1987 increased the Food Products Permit fee to \$15 per location, up to a maximum of \$75.

Act 956 of 1987 established the following fees for Home Health Agencies:

Home Health Care Service Agency - \$500/year

Sub-unit - \$50/year

Act 577 of 1989 authorizes the Health Department to levy a fee for the maintenance of breath testing instruments. The fee shall not exceed the cost of maintenance, and for fiscal years 1990 and 1991, the rate shall be no more than \$30 per hour plus cost of parts, shipping and supplies. The fee is a special revenue credited to the Public Health Fund.

Act 621 of 1989 provides that the Office of Driver Services shall charge a \$25 fee for reinstating an operator’s license suspended due to a conviction of a DWI offense. Of the \$25 fee, 40% is to be deposited as special revenue credited to the Public Health Fund to be used exclusively for the Department of Health - Blood Alcohol Program.

Act 749 of 1989 established the State Health Department Building and Local Grant Trust Fund

Act 191 of 1991 increased various fees under the Grade “A” Milk Program.

Act 328 of 1991 increases fees charged for the regulation, licensing and inspection of manufactured milk plants.

Act 873 of 1991 increased the septic tank permit fee to \$30, provides for a registration of \$100 for septic tank manufacturers and provides for an annual training course for \$50.

Act 1001 of 1991 increased the following fees for water system operator:

1. Examination Fee: .....\$50
2. License Fee: .....\$25
3. Renewal Fee: .....\$50
4. Late Renewal Penalty:.....\$10
5. Evaluation for Reciprocity: .....\$50
6. Temporary Permit: .....\$25

Act 1053 of 1991 authorizes the Health Department to collect the following annual fees from public water systems:

1. Community water systems..... \$0.15  
per service connection per month
2. Non-community ..... \$100
3. Minimum fee ..... \$200

Act 130 of 1993 extends until July 1, 1995 the Food Services Permit Fee.

Act 174 of 1993 increases the surcharge on marriage licenses to \$10.00. The money is deposited in the Children's Trust Fund.

Act 350 of 1993 provides that all fees prescribed in the Vital Statistics Act are to be deposited into the Public Health Fund.

Act 903 of 1993 increases the annual fee for community water systems and non-transient, non-community water systems from \$0.15/connection to not more than \$0.25/service connection per month.

Act 168 of 1995 extends from July 1, 1995 through July 1, 1997, the Food Service Permit Fee.

Act 508 of 1995 designates the Department of Health as the accreditation body for the purpose of accrediting mammography facilities. The act also established the following fee:

1. First mammography tube, seven hundred dollars (\$700) to be collected at the beginning of each three (3) year accreditation period.
2. Each additional mammography tube, five hundred dollars (\$500) to be collected at the beginning of each three (3) years accreditation period.
3. Each additional review of clinical images and phantoms, one hundred dollars (\$100) to be collected at the time of submission of clinical images and phantoms for review except that the maximum annual cost for additional review of clinical images and phantoms shall not exceed three hundred dollars (\$300).

All fees collected are deposited to the credit of the Public Health Fund.

Act 796 of 1995 establishes categories of hospitals for the purpose of licensing and registering their radioactive materials and x-ray equipment. The act also provides for a fee schedule. All fees collected are credited to the Public Health Fund.

Act 1256 of 1995 repeals the \$2.00 fee for adoption decree and the \$1.00 fee for filing of divorce complaint.

Act 1275 of 1995 imposes an additional yearly fee of \$100 for inspecting and permitting of ambulances, and an additional yearly fee of \$500 for issuance or renewal of a permit. The fees are collected by the Health Department and are deposited in the Arkansas Medicaid Program Trust Fund.

Act 574 of 1997 levies the following fees on hospitals and related medical institutions:

Per facility (unless otherwise noted)	FY '98	FY '99
1. Hospitals (per bed)	\$4	\$6
2. Ambulatory Surgery Center	\$1,000	\$1,000
3. Hospital-Based Recuperation Ctr.	\$160	\$275
4. Freestanding Recuperation Ctr.	\$2,600	\$2,000
5. Hospital-Based Alcohol/Drug Unit	\$60	\$75
6. Freestanding Alcohol/Drug Unit	\$1,000	\$1,000
7. Hospital-Based Outpatient Psychiatric Center	\$60	\$75
8. Freestanding Outpatient Psychiatric Center	\$1,000	\$1,000
9. Infirmary	\$100	\$100
10. Reissuance of license due to name/address change	\$100	\$100
11. Home Health Care Svcs. Agency	\$1,000 /Year	\$1,000 /Year
12. Subunit of a home health care agency	\$100 /Year	\$100 /Year
13. Hospices	\$500 /Year	\$500 /Year
14. Certification fee for a child health management svcs. Clinic	\$1,000 /Year	\$1,000 /Year

The fees collected under this act are deposited into the Health Facilities Services Revolving Fund.

Act 1723 of 2003 authorized fees in addition to those authorized by §20-7-123(b)(1)(h) through (b)(1)(j) to be collected and credited to the State Board of Health Revenue Fund. These revenues shall be treated as cash funds for the State Board of Health Laboratory Revenue Fund, and utilized to construct and equip a modern public health laboratory. Effective September 1, 2003, the following fees shall be collected and credited to the State Board of Health Laboratory Revenue Fund:

1. A fee of seven dollars (\$7.00) collected by the state registrar for the making and certification of any birth certificate or record;
2. A fee of five dollars (\$5.00) collected for the making and certification of each additional copy of any birth certificate or record;
3. A fee of six dollars (\$6.00) collected by the state registrar for the making and certification of a single copy of a death certificate;
4. A fee of seven dollars (\$7.00) collected by the state registrar for the making and certification of any marriage or divorce certificate or record;
5. A fee of five dollars (\$5.00) collected by the state registrar for the making and certification of any marriage or divorce certificate or record;
6. A fee of five dollars (\$5.00) collected by the state registrar for the making and certification of each additional copy of any marriage or divorce certificate or record;
7. A fee of seven dollars (\$7.00) collected by the state registrar for an examination and search of the files for any birth record;
8. A fee of five dollars (\$5.00) collected by the state registrar for an examination and search of the files for any marriage or divorce record;

9. A fee of six dollars (\$6.00) collected by the state registrar for an examination and search of the files for any death record.

Upon payment of all charges, loans and bonds needed for the creation of the health laboratory, the fees authorized by this act shall terminate.

Act 394 of 2005 extends the imposition of food service establishment fees through July 1, 2009:

- \$35 – permit
- \$105 – per location

Act 929 of 2005 raises fees and updates equipment and procedure designations for the radiation control program:

Hospitals

- Category I-A ..... \$900
- Category I-B ..... \$700
- Category II-A..... \$650
- Category II-B ..... \$450
- Category III..... \$200
- X-ray Units ..... \$ 65 up to \$260
- Vendor Services..... \$ 65
- Radioactive material license ..... \$100 up to \$1000
- General license..... \$ 30 up to \$2500
- Reciprocity..... \$100 up to 2500

Act 1271 of 2005 authorizes the Health Services Permit Agency to impose fines from \$100 to \$500 against healthcare facilities failing to provide required healthcare data.

Act 596 of 2013 for body artists licensed in a state other than Arkansas or in a country other than the U.S.: adds a one time application fee of \$500 for qualification review, waives the fee for written and practical exams, and requires a \$100 annual license fee. Adds a license reinstatement fee of \$100 plus all overdue fees for body artists. Changes temporary demonstration license fee to: a sponsor fee of \$50 per artist (not to exceed \$2,000 per event), and a \$50 fee for the guest artist.(20-27-1503)

Act 1433 of 2013 moves collection of certain fees under the Health Maintenance Organization Act to the Insurance Commission and fees to the State Insurance Department Trust Fund.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount (1)	%Change
2003	\$ 6,797,825	8.12
2004	\$ 5,877,267	(13.54)
2005	\$ 5,884,084	0.12
2006	\$ 5,973,931	1.53
2007	\$ 6,034,422	1.01
2008	\$ 6,850,308	13.52
2009	\$ 6,998,362	2.16
2010	\$ 7,096,597	1.40
2011	\$ 7,171,328	1.05
2012	\$ 7,111,461	(0.83)
2013	\$ 6,853,850	(3.62)
2014	\$ 6,961,051	1.56

(1) amount collected and deposited represents the Public Health Fund only

**Distribution of Tax:**

All fees are deposited into the Public Health Fund unless otherwise indicated.

**Administered by:**

State Department of Health

**Cite:**

The Sections of the 1987 Arkansas Code are listed for each item of revenue under Rate and Base.



## 8.12. INSURANCE FEES, LICENSES AND MISCELLANEOUS CHARGES

The Insurance Commissioner collects various fees, licenses and miscellaneous charges from all insurance companies doing business in Arkansas. The funds are deposited in the State Treasury.

### Rate and Base:

<p>1. Admission fees:</p> <p style="margin-left: 20px;">a. Filing and reviewing all documents necessary to issuance of certificate of incorporation (domestic companies) \$100</p> <p style="margin-left: 20px;">b. Issuance of an original certificate of incorporation (domestic companies) \$50</p> <p style="margin-left: 20px;">c. Reviewing all documents necessary for issuance of original certificate of authority \$1,000</p> <p style="margin-left: 20px;">d. Issuance of original certificate of authority (all companies) \$300</p> <p style="margin-left: 20px;">e. Issuance of original license for rate service organizations \$1000</p> <p style="margin-left: 20px;">f. Filing and reviewing all documents of non-admitted company seeking to be placed on the "approved" list for the writing of surplus lines insurance \$500</p> <p>2. Annual Renewal fees:</p> <p style="margin-left: 20px;">a. Filing annual statement (all companies) \$50</p> <p style="margin-left: 20px;">b. Renewal of certificate of authority \$100</p> <p style="margin-left: 20px;">c. Rate service organization, annual continuation of license \$100</p> <p>3. Other Miscellaneous fees:</p> <p style="margin-left: 20px;">a. Amendment to articles of incorporation \$25</p> <p style="margin-left: 20px;">b. Reinstatement of certificate of authority \$50</p> <p style="margin-left: 20px;">c. Amending an existing certificate of authority \$500</p> <p>4. Agent's License (Resident Agents):</p> <p style="margin-left: 20px;">a. Property, casualty, surety agents: Original issuance of each license \$15</p> <p style="margin-left: 40px;">Appointment of agent by insurer, each insurer \$10</p> <p style="margin-left: 40px;">Annual continuation of appointment, each insurer \$10</p> <p style="margin-left: 20px;">b. Life and disability insurance agents, original license, each insurer \$10</p> <p style="margin-left: 20px;">c. Each vending machine, licensed under (23-64-223), each year \$10</p> <p>5. Broker's License (Resident Brokers):</p> <p style="margin-left: 20px;">a. Original license \$30</p> <p style="margin-left: 20px;">b. Annual continuation of license \$30</p> <p>6. Solicitor's License:</p> <p style="margin-left: 20px;">a. Original license \$15</p> <p style="margin-left: 20px;">b. Annual continuation of license \$15</p> <p>7. Non-resident Broker or Agent License:</p> <p style="margin-left: 20px;">a. Original license \$30</p> <p style="margin-left: 20px;">b. Annual continuation of license \$30</p>	<p>8. Temporary License:</p> <p style="margin-left: 20px;">a. Resident Agent \$10</p> <p style="margin-left: 20px;">b. Resident Broker \$25</p> <p>9. Examination for Agent and Broker License:</p> <p style="margin-left: 20px;">a. Filing application for examination \$10</p> <p style="margin-left: 20px;">b. Filing application for reexamination \$5</p> <p>10. Surplus Line Broker License:</p> <p style="margin-left: 20px;">a. Original license, individual \$1,000</p> <p style="margin-left: 20px;">b. Original license, firms and corporations, plus one qualifying individual \$1,000</p> <p style="margin-left: 20px;">c. Each additional individual \$100</p> <p style="margin-left: 20px;">d. Annual continuation of license \$25</p> <p>11. Adjuster's License, each year \$25</p> <p>12. Copies of Documents, per page 25¢</p> <p style="margin-left: 20px;">a. Facsimile copies, per page 50¢</p> <p style="margin-left: 20px;">b. Hard copy printout of fiche, per page \$1.00</p> <p style="margin-left: 20px;">c. Electronic copies, per page 25¢</p> <p>13. Commissioner's Authentication of any document or instrument other than license \$ 5</p> <p>14. Health Maintenance Organization Fee. Every health maintenance organization subject to this chapter shall pay to The State Insurance Department Trust Fund as special revenues the following fees:</p> <p style="margin-left: 20px;">a. For filing and reviewing all documents necessary for issuance of original certificate of authority \$1,000</p> <p style="margin-left: 20px;">b. For issuance of the original certificate of authority \$200</p> <p style="margin-left: 20px;">c. For annual renewal of the certificate of authority \$100</p> <p style="margin-left: 20px;">d. For filing an annual statement \$50</p> <p style="margin-left: 20px;">e. For filing amendments to documents required under 23-76-107 \$100</p> <p>15. Life Care Provider Fees</p> <p style="margin-left: 20px;">a. \$400 filing fee</p> <p style="margin-left: 20px;">b. \$ 40 per living unit</p> <p>16. Administrative and Financial Regulation Fees</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Arkansas Direct Written Premiums and Co-Payments of Insurers, HMO's FMAA's, etc (total preceding calendar year)</th> <th style="text-align: center;">Annual Administrative and Financial Regulation Fee Due State of Arkansas</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$ 500</td> </tr> <tr> <td style="text-align: center;">01 - 499,999</td> <td style="text-align: center;">\$ 750</td> </tr> <tr> <td style="text-align: center;">500,000 - 2,499,999</td> <td style="text-align: center;">\$ 1,000</td> </tr> <tr> <td style="text-align: center;">2,500,500 - 4,999,999</td> <td style="text-align: center;">\$ 2,500</td> </tr> <tr> <td style="text-align: center;">5,000,000 - 7,499,999</td> <td style="text-align: center;">\$ 5,000</td> </tr> <tr> <td style="text-align: center;">7,500,000 - 9,999,999</td> <td style="text-align: center;">\$ 7,500</td> </tr> <tr> <td style="text-align: center;">10,000,000 - 19,999,999</td> <td style="text-align: center;">\$ 10,000</td> </tr> <tr> <td style="text-align: center;">20,000,000 - 29,999,999</td> <td style="text-align: center;">\$ 12,000</td> </tr> <tr> <td style="text-align: center;">30,000,000 - 49,999,999</td> <td style="text-align: center;">\$ 15,000</td> </tr> <tr> <td style="text-align: center;">50,000,000 - 74,999,999</td> <td style="text-align: center;">\$ 17,500</td> </tr> <tr> <td style="text-align: center;">75,000,000 - 99,999,999</td> <td style="text-align: center;">\$ 20,000</td> </tr> <tr> <td style="text-align: center;">100,000,000 - and up</td> <td style="text-align: center;">\$ 25,000</td> </tr> </tbody> </table>	Arkansas Direct Written Premiums and Co-Payments of Insurers, HMO's FMAA's, etc (total preceding calendar year)	Annual Administrative and Financial Regulation Fee Due State of Arkansas	\$0	\$ 500	01 - 499,999	\$ 750	500,000 - 2,499,999	\$ 1,000	2,500,500 - 4,999,999	\$ 2,500	5,000,000 - 7,499,999	\$ 5,000	7,500,000 - 9,999,999	\$ 7,500	10,000,000 - 19,999,999	\$ 10,000	20,000,000 - 29,999,999	\$ 12,000	30,000,000 - 49,999,999	\$ 15,000	50,000,000 - 74,999,999	\$ 17,500	75,000,000 - 99,999,999	\$ 20,000	100,000,000 - and up	\$ 25,000
Arkansas Direct Written Premiums and Co-Payments of Insurers, HMO's FMAA's, etc (total preceding calendar year)	Annual Administrative and Financial Regulation Fee Due State of Arkansas																										
\$0	\$ 500																										
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50,000,000 - 74,999,999	\$ 17,500																										
75,000,000 - 99,999,999	\$ 20,000																										
100,000,000 - and up	\$ 25,000																										

In no event shall the annual financial regulation fee imposed in this Section and assessed to support the maintenance and operation of the Arkansas Insurance Department exceed \$25,000 for any one insurer in any one year.

**Exemptions:**

None

**History:**

Act 106 of 1873, “An Act to Establish an Insurance Bureau” in the office of the State Auditor provided for the following fees:

- 1. Filing certified copy of charter ..... \$25
- 2. Filing annual statement or certificate ..... \$20
- 3. Each certificate of authority and certified copy ..... \$ 2
- 4. Every copy of any paper filed in the bureau ..... .20¢ per folio and for affixing the official seal to such copy and certifying the same ..... \$ 1
- 5. Official examination of insurance companies actual expenses incurred.

Act 115 of 1901 established a fee of \$5 for a firm, company or corporation acting as an agent for any insurance company doing business in this State.

Act 187 of 1903 required every surety company transacting business in this State to pay the following fees:

- 1. Filing copies of its charter or act of incorporation ..... \$ 5
- 2. Filing statement preliminary to admission and for filing annual statement after admission ..... \$ 5
- 3. Agents annual certification ..... \$ 5

Act 400 of 1907, “An Act to Regulate Mutual Life Stock Insurance Companies in the State of Arkansas,” provided for the following fees:

- 1. License fee for each solicitor or agent ..... \$ 2/year
- 2. To cancel a license for a solicitor or agent..... \$ 1
- 3. Certificate of authority ..... \$ 2
- 4. Filing annual statement ..... \$10

Act 130 of 1909 required every surety company transacting business in this State to pay a fee of \$15 for filing copies of its charter or act of incorporation, \$10 for filing each annual statement, \$2 for a certificate of authority to transact business and \$2 for each agent certificate annually.

Act 220 of 1913 provided that securities equal in value to the legal reserves on all outstanding policies in force be deposited with the Insurance Commissioner and required a fee of 25¢ be paid for each certificate so deposited. Act 220 also provided that a fee of \$5 be paid by any company that increases or reduces its capital stock.

Act 462 of 1917 levied an annual license fee of \$10 on Fraternal Beneficiary Associations, Societies or Orders and provided that the expenses of an annual examination shall be paid by the Society.

Act 493 of 1921 levied the following fees:

- 1. Certificate of authority .....\$ 5

- 2. For filing charter or amendment..... \$15
- 3. For filing annual statement..... \$10
- 4. Annual certificate of authority ..... \$ 2
- 5. Annual certificate of authority, fraternal ..... \$10
- 6. Filing power of attorney designating agent for service of process ..... \$ 5
- 7. Agents license ..... \$ 5
- 8. Certificate of incorporation ..... \$ 5
- 9. Copies of documents ..... 20¢/page and for each certificate to same ..... \$ 1

Act 137 of 1925 regulated insurance companies operating on the stipulated premium plan and established the following fees:

- Fee for examining and filing the articles of incorporation . \$15
- Fee for each certificate of authority, annually ..... \$ 2
- Annual fee for each agent..... \$ 2
- Examination fees ..... actual expenses.

Act 139 of 1925 regulated assessment insurance companies and established the following fees:

- 1. Fee for filing preliminary papers and receiving license \$25
- 2. Fee for filing amendments to charter or articles of incorporation ..... \$15
- 3. Fee for filing annual statements ..... \$10
- 4. Fee for each agents license or renewal ..... \$ 2
- 5. Fee for making examinations ..... necessary expenses
- 6. Fee for copies of papers ..... 20¢/page and for certificate of same ..... \$ 1
- 7. For admission of associations organized under the laws of any other state .....\$32

Act 237 of 1927 regulated cooperative, nonprofit life benefit associations and established the following fees:

- 1. Filing fee for license to do business in this State ..\$100
- 2. Annual renewal license ..... \$ 25
- 3. Examination fee .....actual expenses

Act 175 of 1943 established a \$10 license fee for a nonresident insurance broker.

Act 50 of 1947 authorized and regulated Rating Organizations, provided a license fee of \$25, and required examination cost to be paid by the organizations.

Act 58 of 1949 established an examination fee of \$10 for an agent or solicitor and a fee of \$1 for each qualifying certificate for an agent or solicitor.

Act 312 of 1953 amended Act 493 of 1921 and established the following fees:

- 1. For filing charter ..... \$50
- 2. For filing amendment to charter..... \$25
- 3. For filing annual statement ..... \$25
- 4. For issuing annual certificate of authority

- 5. For filing power of attorney designating agent for service of process .....\$ 5
- 6. Agent’s license .....\$ 2
- 7. Certificate of incorporation .....\$ 5
- 8. Copies of documents .....\$ 1/page
- 9. For each certificate authenticating any document \$ 2

Act 4 of 1957 amended Act 312 of 1953 and increased agents’ license fees to \$3

Act 248 of 1957 established a fee of \$150 annually for a license for a surplus line broker.

Act 148 of 1959, the “Arkansas Insurance Code,” was a comprehensive revision of the laws of Arkansas relating to insurance and in Section 68 established all fees, licenses, and charges as follows:

- 1. Certificate of Authority:
  - a. Original issuance fee .....\$ 5
  - b. Annual continuation fee .....\$ 5
  - c. Reinstatement fee .....\$50
- 2. Charter documents:
  - a. For filing charter .....\$50
  - b. For filing amendment to charter .....\$25
  - c. Certificate of incorporation .....\$ 5
- 3. Power of attorney designating agent for service of process, filing .....\$ 5
- 4. Annual statement of insurer, filing .....\$25
- 5. Agent’s license (resident agents):
  - a. Property, casualty, surety agents: original issuance of each license .....\$ 5
  - b. Appointment of agent by insurer, each insurer.....\$ 3
  - c. Annual continuation of appointment, each insurer .....\$ 3
  - d. Life and disability insurance agent, original license, each insurer .....\$ 3
  - e. Each vending machine, licensed under (23-64-223), each year .....\$ 3
  - f. Broker’s license (resident brokers):
    - Original license .....\$10
    - Annual continuation .....\$10
- 6. Solicitor’s license, original license .....\$ 3
- 7. Annual continuation .....\$ 3
- 8. Nonresident broker or agent license:
  - Original license .....\$10
  - Annual continuation .....\$10
- 9. Temporary license:
  - As resident agent .....\$ 5
  - As resident broker .....\$10
- 10. Examination for agent, broker or solicitor license:
  - Filing application for examination or reexamination .....\$10

- 11. Surplus line broker license, each year ..... \$50
- 12. Adjuster’s license, each year ..... \$10
- 13. Miscellaneous services:
  - a. For copies of documents, records on file in Insurance Department, per page ..... 50¢
  - b. For each certificate of the Commissioner authenticating any document or other instrument (other than licenses and certificates of authority) ..... \$ 1

Act 95 of 1965 amended Act 148 of 1959 and set the following fees, licenses and miscellaneous charges:

- 1. Admission fees:
  - a. Filing all documents for admission and issuance of original certificate of authority (all companies) \$200
- 2. Annual renewal fees:
  - a. Filing annual statement (all companies) ..... \$50
  - b. Renewal of certificate of authority (all companies) ..... \$100
- 3. Other miscellaneous fees:
  - a. Amendment to articles of incorporation..... \$25
  - b. Reinstatement of certificate of authority
- 4. Agent’s license (resident agents)
  - a. Property, casualty, surety agents:
    - Original issuance of each license ..... \$ 5
    - Appointment of agent by insurer, each Insurer .. \$ 3
    - Annual continuation of appointment, each insurer \$3
  - b. Life and disability insurance agents, original license, each insurer ..... \$ 3
  - Annual continuation of license, each insurer .... \$ 3
  - c. Each vending machine licensed under (23-64-223), each year ..... \$10
- 5. Broker’s License (resident brokers):
  - Original license ..... \$10
  - Annual continuation ..... \$10
- 6. Solicitor’s license, original license ..... \$ 3
- Annual continuation of license ..... \$ 3
- 7. Nonresident broker or agent license:
  - Original license ..... \$10
  - Annual continuation ..... \$10
- 8. Temporary license: As resident agent ..... \$ 5
- As resident broker ..... \$10
- 9. Examination for agent, broker or solicitor license:
  - Filing application for examination or reexamination, agent, broker or solicitor..... \$10
- 10. Surplus line broker license, each license year ..... \$50
- 11. Adjuster’s license, each year ..... \$10
- 12. Miscellaneous services:
  - a. For copies of documents, records on file in Insurance Department ..... 50¢/page

- b. For each certificate of the Commissioner authenticating any document or other instrument (other than licenses and certificates of authority) .....\$1

Act 729 of 1975 amended Act 148 of 1959 and changed the admission fees as follows:

- 1. Reviewing all documents for admission .....\$250
- 2. Issuance of original certificate of authority .....\$150

Act 789 of 1977 again amended Act 148 of 1959 and made the following change:

- 1. Surplus line broker license .....\$100 each license.

Act 942 of 1979, amended Act 148 of 1959 and changed the following fees:

- 1. Admission fees:
  - a. Filing and reviewing all documents necessary to issuance of certificate of incorporation (domestic companies) .....\$100
  - b. Issuance of original certificate of incorporation (domestic companies) .....\$50
  - c. Reviewing all documents necessary for issuance of original certificate of authority (all companies) . \$250
  - d. Issuance of original certificate of authority (all companies) .....\$150
  - e. Issuance of original license for rate service organizations .....\$ 25
  - f. Filing and reviewing all documents of a non- admitted company seeking to be placed on the “approved” list for the writing of surplus lines insurance .....\$250

- 2. Annual renewal fees:
  - a. Filing annual statement (all companies) .....\$ 50
  - b. Renewal of certificate of authority (all companies) .....\$100
  - c. Rate service organizations annual continuation of license .....\$ 25

Act 809 of 1981 amended Act 148 of 1959 and established all fees and licenses currently in effect.

Act 804 of 1985 increased various license fees collected by the Insurance Department.

Act 456 of 1987 increased various Insurance Department Fees.

Act 652 of 1993 established the State Insurance Department Trust Fund. This Act also provides for the assessment of administrative and regulator fees.

Act 787 of 1993 requires for the licensing of life care providers.

Act 901 of 1993 assesses a \$50 administrative and regulator fee on insurance agents. The Act also amends various health maintenance organization fees.

Act 1094 of 1993 provides for the licensing and regulation of managing general agents.

Act 881 of 1999 replaces and adds various document print and copy fees.

Act 1473 of 2003 creates the Prepaid Funeral Contracts Recovery Board, of which, action is subject to examination under the commissioner.

Act 1965 of 2005 allows the Insurance Commissioner to impose upon foreign insurers doing business in Arkansas the same taxes, license fees, fines, penalties, deposit requirements and other restrictions imposed on Arkansas insurers.

Act 588 of 2013 authorizes the issuance of a limited license to self-service storage facilities to sale self-service storage insurance in connection with rental agreements.

Act 1433 of 2013 moves collection of certain fees under the Health Maintenance Organization Act to the Insurance Commission. Payment of the following fees to the State Insurance Department Trust Fund:

- 1. Filing and reviewing documents for issuance of an original certificate of authority.....\$1,000
- 2. Issuance of the original certificate of authority.....\$200
- 3. Annual renewal of certificate of authority.....\$100
- 4. Filing an annual statement.....\$50
- 5. Filing amendments to document.....\$100

Act 1494 of 2013 establishes a license for limited lines travel insurance producers.

**Revenues Generated:**

Insurance Agents Fees and Licenses

Fiscal Year	Amount	%Change
Ending June 30		
2003	\$ 160,858	139.64
2004	\$ 674,256	319.16
2005	\$ 58,660	(91.30)
2006	\$ 49,802	(15.10)
2007	\$ 2,683,901	5,389.14
2008	\$ 1,715,673	(36.08)
2009	\$ 2,617,728	52.58
2010	\$ 1,880,884	(28.15)
2011	\$ 5,542,049	194.65
2012	\$ 2,108,854	(61.95)
2013	\$ 2,358,389	11.83
2014	\$ 2,774,892	17.66

**Revenues Generated:**

State Insurance Department Fees

Fiscal Year	Amount	%Change
Ending June 30		
2003	\$ 21,931,760	34.87
2004	\$ 15,353,308	(30.00)
2005	\$ 26,939,556	75.46
2006	\$ 23,817,536	(11.59)
2007	\$ 22,596,217	(5.13)
2008	\$ 24,359,237	7.80
2009	\$ 27,517,003	12.96
2010	\$ 25,591,492	(7.00)
2011	\$ 24,942,169	(2.54)
2012	\$ 31,858,150	27.73
2013	\$ 22,726,507	(28.66)
2014	\$ 30,816,596	35.60

**Distribution of Tax:**

Special Revenues

**Administered by:**

State Insurance Commissioner

**Cite:**

Arkansas Code (1987) 23-61-401; 23-76-107

## 8.13. INSURANCE PREMIUM TAX

Premium taxes are collected from licensed insurance carriers by the Insurance Department and remitted to the State Treasury.

### Rate and Base:

1. Foreign Fire and Casualty - 3% on net premium receipts.
2. Foreign Life Insurance Companies - 2.5% on net premium receipts.
3. Foreign Bond and Surety Companies - 2.5% on net premium receipts.
4. Foreign Health and Accident Companies - 2.5% on net Health and Accident premiums.
5. Wet Marine and Foreign Trade - ¾ of 1% of gross underwriting profit.
6. Worker's Compensation - maximum of 3%.
7. Domestic Fire and Casualty - 2.5% on net premiums.
8. Domestic Life and Disability insurers - 2.5% on net premiums.
9. Legal Insurance - 2.5% of direct written premiums.
10. Health Maintenance Organization - 2.5% on premiums and co-payments.
11. Fire and Casualty Coverage - .5%

### Exemptions:

None

### History:

#### Foreign Fire & Casualty

Year	Act	Rate
1873	106	3%
1913	159	5% (alien) 1.5% (foreign)
1917	264	2% (foreign)
1947	49	2% (foreign)
1959	248	2.5% (foreign and alien)
1991	833	3.0%

#### Foreign Life Insurance Companies

Year	Act	Rate
1873	106	3%
1913	259	5% (alien)
1913	220	1.5%
1917	264	2%
1931	235	2.5%
1947	49	2.5%
1959	148	2.5%
1975	450	2.5%

#### Foreign Bond & Surety Companies

Year	Act	Rate
1873	106	3%
1913	220	1.5%
1917	264	2%
1938	4	2%
1945	187	2%
1947	49	2%
1975	450	2.5%

#### Foreign Health & Accident

Year	Act	Rate
1913	220	1.5%
1917	264	2%
1931	235	2.5%
1945	187	2.5%
1947	49	2.5%
1959	148	2.5%

#### Wet Marine & Foreign Trade Insurance

Year	148Act	Rate
1949		¾ of 1%

#### Worker's Compensation Insurance

Year	Act	Rate
1939	319	2% additional
1948	Init.	up to 3% Meas. 4

Act 1033 of 1987 levies a premium tax of 2.5% of net premium on domestic life and disability insurers and Health Maintenance Organizations.

Act 444 of 1989 creates the Arkansas Life and Disability Insurance Guaranty Association to guarantee insured persons against the financial impairment or insolvency of member insurers. Member insurers are provided a credit against their premium tax liability for assessments paid to the Association.

Act 833 of 1991 levies an additional ½% premium tax on insurance providing fire and casualty coverage. The additional tax is to be deposited into the Fire Protection Revolving Fund to be used to defray training expenses of fire fighters.

Act 1540 of 2001 allows 50% of the growth in the general revenue residual capped at two million dollars be diverted to the Fire Protection Premium Tax Fund.

Act 1640 of 2001 amended portions of the tax code from "disability insurance" to "accident and health insurance".

Act 860 of 2003 establishes a premium tax liability credit for a person purchasing an equity interest in a capital development company in calendar years 2003 through 2013.

Act 2222 of 2005 provides amounts above forecasted level of insurance premium taxes be credited to Arkansas Medicaid Trust Fund to increase per diem reimbursements for hospital inpatient services and private duty nursing rates in home health agencies.

Act 498 of 2009 provides an income tax credit or a premium tax credit for the rehabilitation of historic structures in Arkansas.

Act 461 of 2013 permits captive insurance companies to take credit for reserves on risks or portions of risks ceded to reinsurers upon approval of the Insurance Commissioner. Lowers the tax rate for captive insurance companies to: 0.25% on the first \$20 million; 0.15% on the next \$20 million; and 0.05% on each dollar there after. Limits the total taxes paid by a captive insurance company to \$100,000 a year.

Act 1474 of 2013 creates New Market Tax Credit against insurance premium tax liability, for businesses who make qualified investments.

Act 276 of 2014 credits premiums collected to implement the private insurance option under the Health Care Independence Programs to the Health Care Independence Program Trust Fund.

**Cite:**

Arkansas Code (1987) 26-57-604; 26-57-601; 23-63-1614

**Revenues Generated:**

General Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 89,015,745	10.88
2004	\$ 91,329,570	2.60
2005	\$ 91,915,973	0.64
2006	\$ 92,215,974	0.33
2007	\$ 94,127,677	2.07
2008	\$ 95,221,204	1.16
2009	\$ 97,815,596	2.72
2010	\$ 94,424,901	(3.47)
2011	\$114,511,270	21.27
2012	\$ 95,218,189	(16.85)
2013	\$109,981,040	15.50
2014	\$118,451,698	7.70

Special Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 39,896,921	10.75
2004	\$ 43,039,689	7.88
2005	\$ 45,146,746	4.90
2006	\$ 46,254,850	2.45
2007	\$ 45,842,544	(0.89)
2008	\$ 51,431,820	12.19
2009	\$ 46,984,806	(8.65)
2010	\$ 47,881,618	1.91
2011	\$ 48,955,842	2.24
2012	\$ 50,584,243	3.33
2013	\$ 52,967,250	4.71
2014	\$ 55,548,808	4.87

**Distribution of Tax:**

General Revenues

Health Care Independence Program Trust Fund

Special Revenues for credit to the Policemen's & Firemen's Pension Fund, Fire Protection, Fire and Police Pension Guarantee Fund. An Additional 3% tax on premiums resulting from the writing of workers' compensation insurance provides revenues distributed as follows:

Workers' Compensation Fund.....	1.5%
Second Injury Fund.....	0.2%
Death and Permanent Disability Trust Fund.....	<u>1.3%</u>
Total.....	3.0%

**Administered by:**

Insurance Commission

## **8.14. LIME INSPECTION FEES**

The various Lime Inspection Fees are collected by the State Plant Board from the manufacturer, importer or other guarantor and vendors of liming material and deposited in the State Treasury.

### **Rate and Base:**

1. Manufacturing Registration – \$15.
2. Vendor's license - \$15 plus a fee of \$3 for each spreader truck.
3. Inspection fee - \$0.30/ton.
4. Penalty for deficiency - Two times the value of the actual deficiency.

### **Exemptions:**

None

### **History:**

Act 131 of 1967, "The Arkansas Agricultural Liming Materials Act," provided for the registration and inspection of agricultural liming material and the regulation of the sale of liming materials. Act 131 imposed the following fees and licenses:

1. Registration of each liming material - \$1.
2. Inspection fees - 2¢ per ton.
3. Penalty for deficiency - Two times the value of the actual material.

Act 353 of 1969 repealed Act 131 of 1967 and established the following fees:

1. Registration of each liming material - \$5.
2. Vendor's license - \$5 plus a fee of \$1 for each spreader truck.
3. Inspection fee - 5¢/ton.
4. Penalty for deficiency - Two times the value of the actual deficiency.

Act 724 of 1983 increased the Lime Inspection fees to their present level.

Act 783 of 1993 increased the lime inspection fee from \$0.20/ton to \$0.30/ton.

### **Revenues Generated:**

See Plant Board Fees

### **Distribution of Tax:**

Of the \$0.30 cents tonnage fee, \$0.20 is credited to the Plant Board Fund, and \$0.10 is credited to the University of Arkansas Soil Testing and Research Extension Fund.

### **Administered by:**

State Plant Board

### **Cite:**

Arkansas Code (1987) 2-19-305; 2-19-306; 2-19-307



## 8.15. LIQUEFIED PETROLEUM GAS FEES

The liquefied petroleum gas fees and permits are collected by the Liquefied Petroleum Gas Board and deposited in the State Treasury.

### Rate and Base:

Schedule of inspection and registration fees—the Board has the authority to charge the following maximum fees for the inspection or registration of the following:

1. Containers of 50 water gallon capacity or less .....\$ 5.00
2. Over 50 water gal.- 120 gal. capacity .....\$ 10.00
3. Over 120 water gal.- 2,000 gal. capacity .....\$ 20.00
4. Over 2,000 water gal. capacity .....\$ 25.00
5. Fuel containers used on mobile equipment such as automobiles, tractors & trucks .....\$ 5.00
6. DOT or ICC cylinders shall comply with DOT or ICC regulations, and cylinders with 100-pound capacity or less shall require .....no fee.
7. Containers used for bulk storage, regardless of size ..\$ 35.00
8. Cargo containers mounted on trucks or semi-trailers, regardless of size.....\$150.00
9. Containers used for commercial or industrial storage, cylinder filling plants, service stations.....\$ 25.00
10. Piping in public buildings using liquefied petroleum gas .....\$ 35.00
11. Piping in domestic, commercial, industrial, or other type building.....\$ 25.00
12. Shop inspection (per day) .....\$ 35.00
13. Certificate of Competency .....\$ 25.00

Permits granted by the Board to engage in the liquefied gas business:

- Class 1: \$ 300
- Class 2: \$ 100
- Class 3: \$ 100
- Class 4: \$ 50
- Class 5: \$ 200
- Class 6: \$ 200
- Class 7: \$ 100
- Class 8: \$ 200
- Class 9: \$ 100
- Class 10: \$ 100

Filing an application for a permit - \$50.

### Exemptions:

None

### History:

Act 204 of 1939 was the first act enacted that regulated containers and equipment used in the storage, transportation, dispensation and utilization of L.P. gas. Act 204 provided for the inspection by the Chief Inspector of the Boiler Inspection Division and provided the following fees:

1. For Certificate of Inspection:
  - a. 1 to 12 units, \$1.50 each;
  - b. 13 to 25 units - \$1.00 each;
  - c. 26 or more units - 50¢ each.

2. Inspection of containers for utilization plants or systems - \$5.
3. Inspection of containers for storage or transportation - \$10.
4. Special inspection of any container - 12 plus expenses of inspection.

The money received from the above inspections was deposited in a bank by the State Labor Commission for the use and benefit of the Boiler Inspection Division.

Act 276 of 1941 amended Act 204 of 1939 and provided the following inspection fees:

1. Containers for utilization plants or systems, 30 water gallon capacity or less .....\$ 1.50
2. Over 30 water gal. to 120 water gal. ....\$ 4.50
3. Over 120 water gal. to 560 water gal. ....\$ 5.50
4. Over 560 water gallon capacity.....\$ 6.50
5. Containers for storage or transportation.....\$10.00

Act 287 of 1943 added an additional 25¢ for an approved seal or tag to be attached to gas-burning or gas-consuming appliances.

Act 165 of 1947 repealed all previous Acts providing for fees for inspection of LP gas containers and appliances but retained the same fees for inspection.

Act 18 of 1957 created the State Liquefied Petroleum Gas Control Board with the authority to regulate the practices and usages of LP gas, and the following fees were established.

The Board has authority to prescribe rules and regulations setting the fees for inspection to be made by its representatives within the maximum and minimum limitations as provided by the following schedule:

	Min.	Max.
1. Containers for the utilization of domestic systems, 50 water gallon capacity or less	\$1.00	\$2.00
Over 50 water gal. - 120 gal. capacity	\$2.00	\$4.00
Over 120 water gal. - 500 gal. capacity	\$2.00	\$5.00
Over 500 water gal. Capacity for domestic use	\$3.00	\$7.00
2. ICC cylinders shall comply with ICC regulations, and cylinders with 100-lb. capacity or less shall require no fee.		no fee.
3. Fuel containers used in mobile equipment, such as automobiles, tractors and trucks	\$1.00	\$3.50
4. Containers for commercial use, such as cotton gins, rice dryers or any other stationary equipment, 500-2,000 water gal. capacity	\$3.00	\$6.00
Over 2,000 water gal. capacity	\$4.00	\$7.00
5. Containers used for bulk storage, regardless of size	\$5.00	\$8.00
6. Containers mounted on trucks or semi-trailers, regardless of size	\$4.00	\$8.00
7. Piping in public buildings using liquefied petroleum gas	\$4.00	\$10.00
8. Shop inspection for manufacturers (per day)	\$10.00	\$25.00

Act 76 of 1959 amended Act 18 of 1957 and established the following fees:

1. Containers of 50 water gallon capacity or less	\$ 2.00
Over 50 water gal. - 120 gal. capacity	\$ 4.00
Over 120 water gal. - 500 gal. capacity	\$ 5.00
Not less than 500 water gal. capacity nor more than 2,000 water gal. capacity	\$ 6.00
2. Over 2,000 water gallon capacity	\$ 7.00
3. Fuel containers used in mobile equipment such as automobiles, tractors and trucks	\$ 3.50
4. ICC cylinders shall comply with ICC regulations and cylinders with 100-pound capacity or less shall require no fee.	\$ 0.00
5. Containers used for bulk storage, regardless of size	\$ 8.00
6. Containers mounted on trucks or semi-trailers, regardless of size	\$ 8.00
7. Piping in public buildings using liquefied petroleum gas	\$10.00
8. Shop inspection for manufacturers (per day)	\$25.00

A \$10 filing fee was required of any person desiring to engage in the LP gas business in this State when his application was filed.

The fees for permits to engage in the LP gas business were authorized as follows:

1.	Class 1	\$100
2.	Class 2	\$ 20
3.	Class 3	\$ 15
4.	Class 4	\$ 10
5.	Class 5	\$100
6.	Class 6	\$ 75
7.	Class 7	\$ 20
8.	Class 8	\$100
9.	Class 9	\$ 50
10.	Class 10	\$ 15

Act 81 of 1963 added an annual fee of \$1 for a "Certificate of Competency" for all persons in charge of operations, servicemen, installation men and truck drivers.

Act 31 of 1965 established the current fees. Act 396 of 1977 increased the class 1 permit to \$300.

Act 909 of 1985 increased various inspection registration fees collected by the Liquefied Petroleum Gas Board.

Act 300 of 1991 increases various inspection and registration fees collected by the Liquefied Petroleum Gas Board.

Act 477 of 1995 increased the insurance requirement of various classes of permit holders and also increased the registration fees for containers shipped into the state.

Act 1577 of 1999 reduced the cost of "Class 1" permits to \$300 and designated that future permits issued will include entire counties as "authorized service areas", while previously licensed dealers could be "grandfathered" in and maintain their original service area by paying the \$400 permit fee.

**Revenues Generated:**

Fiscal Year	Amount	% Change
Ending June 30		
2003	\$ 520,960	(4.83)
2004	\$ 557,795	7.07
2005	\$ 511,445	(8.31)
2006	\$ 481,550	(5.85)
2007	\$ 508,750	5.65
2008	\$ 537,430	5.64
2009	\$ 539,265	0.34
2010	\$567,235	5.19
2011	\$568,905	0.29
2012	\$570,185	0.23
2013	\$570,895	0.12
2014	\$565,050	(1.02)

**Distribution of Tax:**

Special Revenues for credit to the Liquefied Petroleum Gas Fund

**Administered by:**

Liquefied Petroleum Gas Board

**Cite:**

Arkansas Code (1987) 15-75-105; 15-75-307 through 15-75-316

## 8.16. MANUFACTURED HOMES STANDARD FEES

The Director of the Arkansas Manufactured Homes Standards Commission, with the approval of the Commission, is authorized to establish the fees authorized under the provisions of “The Arkansas Manufactured Homes Standards Act.” The Director collects the fees and deposits them in the State Treasury.

**Rate and Base:**

The fees are established by the Director with the approval of the Commission.

**Exemptions:**

None

**History:**

Act 510 of 1973 was the original law enacted to provide for inspections of mobile homes, and it authorized the Director of the Department of Health to establish fees to cover all costs incurred in the administration of the Act.

Act 580 of 1975 established the Arkansas Mobile Home Commission and authorized the Director, with the approval of the Commission, to set the fees. The present law was enacted by Act 533 of 1981 established present law.

Act 346 of 1987 established the Manufactured Housing recovery Fund to pay claims against installers, dealers, and manufacturers of manufactured homes. Beginning July 1, 1987, the Commission is authorized to collect the following fees:

1. Installer ..... \$ 500
2. Dealer Location ..... \$1,000
3. Manufacturer Location ..... \$3,000

The Recovery Fund must maintain a balance of \$250,000. The Commission is authorized to determine and collect such assessments as are needed to maintain a \$250,000 “Recovery Fund” balance.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 215,817	(18.26)
2004	\$ 254,541	17.94
2005	\$ 241,759	(5.02)
2006	\$ 312,419	29.23
2007	\$ 156,181	(50.01)
2008	\$ 330,182	111.41
2009	\$ 259,069	(21.54)
2010	\$ 287,245	10.88
2011	\$ 242,996	(15.40)
2012	\$ 253,909	4.49
2013	\$ 265,860	4.71
2014	\$ 250,365	(5.83)

**Distribution of Tax:**

Special Revenues for credit to the Manufactured Home Standards Fund

**Administered by:**

The Arkansas Manufactured Home Commission

**Cite:**

Arkansas Code (1987) 20-25-106

## **8.17. PET STORE REGISTRATION FEES**

All retail pet stores must register with the director of the Department of Health before doing business with the State.

### **Rate and Base:**

1. Initial Registration ..... \$100
2. Renewal ..... \$ 50
3. Public Notice ..... \$ 10

### **Exemptions:**

None

### **History:**

Act 1225 of 1991 established the current pet store registration fees.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 700	27.27
2004	\$1,120	60.00
2005	\$ 260	(76.79)
2006	\$ 700	169.23
2007	\$ 600	(14.29)
2008	\$ 500	(16.67)
2009	\$ 0	(100.00)
2010	\$ 650	100.00
2011	\$ 750	15.38
2012	\$ 850	13.33
2013	\$ 450	(47.06)
2014	\$ 350	(22.22)

### **Distribution of Tax:**

General Revenue

### **Administered By:**

State Department of Health

### **Cite:**

Arkansas Code (1987) 4-97-104

## 8.18. PLANT BOARD FEES

The State Plant Board is authorized to collect various fees, permits and licenses; and the funds collected are deposited in the State Treasury.

### Rate and Base:

#### PESTICIDE DIVISION

Activity (Pesticide Division)	Revenue
Fertilizers:	
Registration (per brand)	
Pesticides:	
Registration (per brand)	\$150
Commercial Applicator's License	\$100
Aircraft or Article of Equipment (Decal)	\$ 20
Pilot's License	\$ 35
Category Authorization	\$ 35
Dealer's License	\$ 65
Private Applicator's License	\$ 10
Custom-Applicator's Permit	\$150
Aircraft Inspection	\$ 50
Testing Fee	\$ 35
Pilot's Authorization	\$ 35
Operator-in-Charge Authorization	\$ 50
Tree Injector's Permit	\$ 50
Non-Commercial Applicator's License	\$ 35*
* Fee may be waived for extension employees.	
Soil Amendments:	
Registration (per brand)	\$ 25
Sampling, Analysis and Enforcement*	.3725/ton
*Penalty per day	
Commercial Application:	
Technician License	\$25

#### MARKETING DIVISION

Activity (Marketing Division)	Revenue
Fruit and Vegetable Inspection	
<u>Fresh</u> - cost per man week plus package fee	\$275 plus 2¢/pkg.
<u>Processed</u> - cost per man week plus per ton fee	\$275 plus 50¢/ton
<u>Peanuts</u> - per ton fee	\$4/ton
<u>Mileage</u> - when necessary in marketing inspection	21¢/mile

#### PLANT INDUSTRY DIVISION

Activity (Plant Industry Division)	Fee
Nursery and Plant Section	
Inspecting Nurseries:	
Nursery License	\$10.00
Inspection Fee (Min.)	\$45.00
Inspection Fee (Addl.)	\$150-\$450
Nursery Cert. Tags (each)	\$ 0.15

Investigating Unlicensed Dealers - Covered by above fees

Activity (Plant Industry Division)	Fee
Investigating Givers of Horticulture Advice:	
Horticultural Advice Certificate	\$ 1.00
Inspecting Strawberry Plants (Certified):	
Application Fee	\$50.00
Inspection Fee (per 1/4 acre)	\$2.00
Certification Tags (each)	\$0.08
Inspecting Strawberry Plants (Uncertified):	
Application fee	\$25.00
Inspection Fee (per ¼ acre)	1.50
Inspecting Turf Grass (Certified):	
Application Fee	\$25.00
Inspection Fee (per acre)	3.00
Certification Tags (each)	0.08
Inspecting Sweet Potato Fields (Certified) -	\$10 per acre
Inspecting Sweet Potato Plants (Certified):	
Inspection Fee	\$10.00
plus per square foot	0.02
Certification Labels (each)	0.08
Inspecting Sweet Potato Plants (Uncertified):	
Inspection Fee	\$10.00
plus per square foot	0.02
Inspecting Sweet Potatoes from Sweet Potato Weevil Areas:	
Inspection Fee:	
Fumigated Potatoes (per bushel)	\$0.05
Unfumigated Potatoes (per bushel)	0.05
Inspecting Vegetable Plants:	
Inspection Fee:	
per sq. ft. or flat	\$0.20
Minimum Fee	20.00
Inspecting Turf Grass (Certified):	
Application Fee	\$25.00
Inspection Fee (per acre)	3.00
Certification Tags (each)	0.08
Inspecting Sweet Potato Fields (Certified) -	\$10 per acre
Inspecting Sweet Potato Plants (Certified):	
Inspection Fee	\$10.00
plus per square foot	0.02
Certification Labels (each)	0.08
Inspecting Sweet Potato Plants (Uncertified):	
Inspection Fee	\$10.00
plus per square foot	0.02
Inspecting Sweet Potatoes from Sweet Potato Weevil Areas:	
Inspection Fee:	
Fumigated Potatoes (per bushel)	\$0.05
Unfumigated Potatoes (per bushel)	0.05
Inspecting Vegetable Plants (Grown in soil):	
Inspection Fee:	
per sq. ft. or flat	\$ 0.20
oversize flats (each)	0.15

Activity (Plant Industry Division)	Fee
Minimum Fee	20.00
Out-of-State Plants: per sq. ft. or flat	0.50
Minimum Fee	100.00
Reinspecting Plants (Nursery or Vegetable): Extra Trip:	
First ½ day per inspector	\$30.00
Addl. hours each inspector	10.00
Issuing Phytosanitary Certificates: Each	\$ 7.50
Microscopy Examinations: Qualitative Analysis	\$20.00
Quantitative Analysis	40.00
Homeowner Assistance (Plant, Insect and Disease Problems):	No Revenue
Farmer, Nurserymen and Grower Assistance (Plant, Insect, Disease, Production Problems)	No Revenue

### PEST CONTROL SECTION

Activity (Pest Control Section)	Revenue
Non Commercial Certificates:	
Ornamental Pest Control	\$70.00
Ornamental Weed Control	\$70.00
Golf Course Pest Control	\$70.00
Issuing Licenses:	
License	
First Classification	\$150.00
Addl. Classifications (each)	100.00
Maximum Fee	300.00
Registering Agents and Solicitors: Each	\$30.00
Giving Examinations:	\$100.00
Investigating Applicant References Covered by Exam Fees:	
Inspecting Termite Jobs (Routine): Reporting fee (per job)	\$ 5.00
Inspecting Termite Jobs (Request): Late Fee (per job)	10.00
Reinspecting Termite Jobs: Each Property found out of compliance	
First Notice	\$ 50.00
Second Notice	100.00
Third Notice	500.00
Inspecting New Licensee First Five Jobs: Each	\$20.00
Inspecting Ornamental, Tree and Turf Jobs: Covered by License and Registration Fees	

Activity (Pest Control Section)	Revenue
Investigating Consumer Complaints and Pursuing Illegal Operators and Court Cases: Covered by License & Registration Fees	
Investigating Pesticide Use/Misuse Cases: Covered by Federal Grant	
Pesticide Application Surveillance: Covered by Federal Grant	
Pesticide Record Checks and Sampling: Covered by Federal Grant	
Pesticide Applicator Certification: Covered by Federal Grant	

### DIVISION OF SEEDS

Activity (Division of Seeds)	Revenue
Service Sample Analyses:	
Group I (seed the size of oats, cotton, rice, and soybeans)	
Complete analysis	\$16.00
Germination only	8.00
Purity only	8.00
Group II (seed the size of clovers, lespedeza, fescue, and timothy)	
Complete analysis	\$16.00
Germination only	12.00
Purity only	12.00
Group III (seed the size of Dallis grass, redtop, and Bermuda grass)	
Complete Analysis	\$16.00
Germination only	12.00
Purity only	12.00
Analysis for Mixtures addl. component	\$8/each
Bag-To-Bag Germination Test on Cotton: 50¢/bag	
Priority Sample	\$25.00
Purity First	1.00
Tetrazolium Test	15.00
Seed Treating Plant License	\$250.00
Registered Seed Technologist License to Analyze Soybeans for Certification:	\$25.00
Inspection Fee for Seed Found Mislabeled:	\$15.00
	.10/ hundred
Official Sample Analyses	
Vigor Test (cotton, soybeans & wheat)	\$12.00
Vigor Test (garden beans)	\$12.00
Varieted test	\$12.00
Germination/Purity of Bluestem	\$50.00
Handling and Mailing (non-certified seed samples)	\$ 3.00
Sampling (non-certified seed)	\$15.00
Seed Dealers License	\$250.00

Activity (Division of Seeds)	Revenue
Seedman's Permit (certified seed producers that do not have seed dealers license):	
100 acres or less	\$100.00
Printed Analysis Tags(non-certified seed)	\$ 0.10
Printed Analysis Labels (certified seed failing to meet standards)	\$ 0.10
Application Fee Per Variety Certified	\$ 20.00
Late Application Fee Per Variety Certified	50.00
Inspection Fee Per Acre:	
Rice	\$2.25
Other	1.50
Processing Plant Inspection Fee	\$15.00
First Re-inspection Fee (fields)	\$15.00
Second Re-inspection Fee (fields)	\$30.00
Charge Per Hour, Over Two Hours (when inspecting processing plants)	\$10.00
Inspection of Treating Equipment Only	\$7.50 per trip
Certification Tag	\$ 0.10
Reusable bulk	.08
Certification Label (each container)	\$ 0.08
Blue Tag Certified Bag (applicant prints analysis on bag)	8¢/per bag

### Exemptions:

None

### History:

#### STATE PLANT BOARD INCOME SOURCES FROM FEES

##### Category:

Fertilizer: Act 106 of 1951 as amended  
Set by Regulations: Brand Registration - Penalties

Pesticides: Act 410 of 1975  
Set by Law: None  
Set by Regulations: Registration Fee

Agricultural Applicators: Act 389 of 1975  
Set by Law: None  
Set by Regulations: All Fees

Hormone Herbicides: Act 389 of 1975, as amended  
Set by Law: None  
Set by Regulations: All Fees

Soil Amendments: Act 377 of 1977  
Set by Law: Tonnage Fee  
Set by Regulations: Registration Fee

Nurserymen and Dealers: Nursery Fraud Act of 1919, as amended: (2-21-101; 2-21-103)  
Set by Law: License  
Set by Regulations: Inspection Fees

Vegetable Plants and Strawberries: Act 414 of 1917, as amended  
Set by Law: None  
Set by Regulations: Inspection Fees

Horticultural Advice: Nursery Fraud Act of 1919, as amended: (2-21-101; 2-21-103)  
Set by Law: License  
Set by Regulations: None

Commercial Pest Control: Act 488 of 1975  
Set by Law: None  
Set by Regulations: License, Reporting, Inspection and Prior Approval Fees

Microscopy: Act 414 of 1917, as amended  
Set by Law: None  
Set by Regulations: Analysis Fees

Fruit, Vegetable and Product Grading: Agricultural Products Grading Act of 1925 (2-20-101;2-20-113)  
Set by Law: None  
Set by Regulations: All Fees

Commercial Seed: Act 414 of 1917, as amended  
Set by Law: None  
Set by Regulations: All Fees

Seed Certification: Act 73 of 1931  
Set by Law: None  
Set by Regulations: All Fees

Agricultural Consultant: Act 609 of 1987  
Set by Law: Maximum Fee \$50  
Set by Regulation: Amount of Fee

Act 955 of 1991 authorizes the Plant Board to establish by regulation fees to be paid in advance by growers of certified seed. Board must seek the advice of the Joint Interim Committee on Agriculture and Economic Development before increasing fees.

Act 1473 of 2003 establishes the authority that the State Plant Board may assess a civil penalty of not more than \$1000 for any violation of statute, rule or order enforceable by the board.

Act 1449 of 2005 establishes a commercial bait and ornamental fish program and may prescribe fees for certification and regulation of commercial bait and ornamental fish.

### Revenues Generated:

Fiscal Year	Amount	%Change
Ending June 30		
2003	\$ 4,738,129	8.34
2004	\$ 5,125,883	8.18
2005	\$ 5,134,308	0.16
2006	\$ 5,240,599	2.07
2007	\$ 5,503,428	5.02
2008	\$ 5,995,515	8.94
2009	\$ 6,595,385	10.01
2010	\$ 6,790,422	2.96
2011	\$ 6,958,362	2.47
2012	\$ 7,315,532	5.13
2013	\$ 7,390,084	1.02
2014	\$ 7,449,659	0.81

**Distribution of Tax:**

Special Revenues to be credited to the Plant Board Fund

**Administered by:**

State Plant Board

**Cite:**

<u>Category</u>	<u>Act Number</u>
Agricultural Applicators	Act 389 of 1975, as amended
Agricultural Consultants	Act 609 of 1987
Commercial Pest Control	Act 488 of 1975
Commercial Seed	Act 414 of 1917, as amended
Fruit, Vegetable and Agricultural Products	
Grading	Act of 1925 (2-20-101;
Product Grading	2-20-113)
Hormone Herbicides	Act 389 of 1975, as amended
Horticultural	Nursery Fraud Act of 1919,
Advice	as amended (2-21-101;2-21-103)
Microscopy	Act 414 of 1917, as amended
Nurserymen and Nursery Fraud	Act of 1919, as
Dealers	amended (2-21-101; 2-21-103)
Pesticides	Act 410 of 1975
Seed Certification	Act 73 of 1931
Soil Amendments	Act 377 of 1977
Vegetable Plants and Strawberries	Act 414 of 1917, as amended



## 8.19. PLUMBERS LICENSES AND FEES

Plumbers licenses and fees are collected by the State Board of Health and remitted to the State Treasury.

### Rate and Base:

The State Board of Health, by regulation and after public hearings, may set reasonable license and/or examination fees for all licenses including, but not limited to, master plumber licenses, journeyman plumber licenses, apprentice plumber registration, gas utility licenses, special plumber licenses and limited plumber licenses.

### Exemptions:

1. Plumbing work done by a property owner in a building owned and occupied by him as his home.
2. To farm buildings located outside the incorporated limits of any city or town, unless such buildings are connected to a public water system, sewerage system or gas utility system.

### History:

Act 328 of 1941 established a Board of Commissioners to supervise, regulate, inspect and enforce the installation of plumbing in the State of Arkansas but did not authorize any licenses or fees.

Act 200 of 1951 provided for the following licenses and fees:

- |  |      |
|--|------|
| 1. Master plumber's examination  | \$25 |
| 2. Master plumber's license  | \$25 |
| 3. Renewal of master plumber's license   | \$25 |
| 4. Journeyman plumber's examination  | \$5  |
| 5. Journeyman plumber's license  | \$5  |
| 6. Renewal of journeyman plumber's license   | \$5  |
| 7. Temporary permits for master plumber  | \$50 |
| 8. Journeyman plumber which would also cover examination fee and license fee for one year. | \$10 |

Act 55 of 1963 amended Act 200 of 1951 and established the following fees:

- |   |      |
|---|------|
| 1. Master plumber's examination   | \$60 |
| 2. Master plumber's license   | \$60 |
| 3. Renewal of master plumber's license  | \$60 |
| 4. Journeyman plumber's examination   | \$25 |
| 5. Journeyman plumber's license   | \$12 |
| 6. Renewal of journeyman plumber's license  | \$12 |
| 7. Temporary permits for master plumber   | \$60 |
| 8. Journeyman plumber which would also cover examination fee and license fee for one year | \$40 |
| 9. Apprentice registration and \$3 for each renewal                                       | \$3  |

Act 902 of 1975 amended Act 200 of 1975 and empowered the State Board of Health to set the licenses and fees.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 702,671	(3.33)
2004	\$ 717,427	2.10
2005	\$ 740,301	3.19
2006	\$ 724,182	(2.18)
2007	\$ 792,527	9.44
2008	\$ 771,995	(2.59)
2009	\$ 735,872	(4.68)
2010	\$ 728,722	(0.97)
2011	\$ 744,750	2.20
2012	\$ 743,338	(0.19)
2013	\$ 727,636	(2.11)
2014	\$ 720,547	(0.97)

### Distribution of Tax:

Special Revenues for credit to the Department of Health Plumbers Licensing Fund

### Administered by:

State Board of Health

### Cite:

Arkansas Code (1987) 17-31-305

## 8.20. PRIVATE INVESTIGATORS/ PRIVATE SECURITY AGENCIES FEES

The Director of the State Police, acting as administrator of the Arkansas Board of Private Investigators and Private Security Agencies, collects all Private Investigators Licenses and Fees, Security Guard Licenses and Fees, Alarm System Licenses and Fees, Polygraph Examiner Fees and Voice Stress Examiner Fees and deposits them in the State Treasury.

### Rate and Base:

1. Class A: original license - \$450, renewal -\$150
2. Class B: original license - \$450, renewal -\$150
3. Class C: original license - \$600, renewal -\$250
4. Class D: original license - \$225, renewal -\$75
5. Class E: original license - \$450, renewal -\$150
6. Class F: original license - \$225, renewal -\$75
7. Class G: General License: original license - \$900, renewal - \$300
8. Reexamination fee: \$50; ID Card Replacement fee: \$5
9. Delinquency Fee: Double the renewal fee
10. Private Investigator Registration Fee; original registration - \$225, renewal - \$75
11. Private security officers and alarm systems agents registration fee; original registration biennial - \$40, renewal - \$40
12. Transfer Fee for private security officers and alarm systems agents - \$20
13. Transfer Fee for private investigators - \$75
14. Polygraph and Voice Stress Examiner Fees; license - \$60, renewal - \$25, duplicate - \$10
15. Polygraph Examiner Internship License - \$30, duplicate - \$10

### Exemptions:

1. A person employed exclusively and regularly by one employer in connection with the affairs of an employer only and where there exists an employer-employee relationship.
2. An officer or employee of the United States of America, or of this State or a political subdivision of either, while the employee or officer is engaged in the performance of official duties.
3. A person who has full-time employment as a law enforcement officer, who receives compensation for private employment on an individual or an independent contractor basis as a patrolman, guard, or watchman if such person is:
  - a. Employed in an employee-employer relationship; or
  - b. Employed on an individual contractual basis; and
  - c. Not in the employ of another law enforcement officer.
4. A person engaged exclusively in the business of obtaining and furnishing information for purposes of credit worthiness or collecting debts or ascertaining the financial responsibility of applicants for property insurance and for

indemnity or surety bonds, with respect to persons, firms and corporations.

5. Consumer Reporting Agencies as defined in 15 U.S.C. 1681 et seq.
6. An attorney-at-law in performing his duties.
7. Admitted insurers, insurance adjusters, agents, and insurance brokers, licensed by the State, performing duties in connection with insurance transacted by them.
8. An officer, employee, or agent of a communications common carrier, as defined in 47 U.S.C. Section 153(h), while engaged in the normal course of business of the carrier or protecting the carrier or a user of the services of that carrier from fraudulent, unlawful, or abusive use of services.
9. A person who or business which sells or manufactures alarm systems, unless such person or business performs any service as described in section (1), subsection (6) of this chapter.
10. Installation, servicing or responding to fire alarm systems or any alarm device which is installed in a motor vehicle, aircraft, or boat.
11. Installation of an alarm system on property owned or leased to the installer.
12. Installation of fixed fire extinguisher systems by persons licensed by the Fire Extinguisher Board.
13. Installation of a fire alarm system's raceways, conductors, and/or components by an entity holding a valid Arkansas Contractor's license, Electrical classification when an Arkansas License Alarm Systems Company furnishes a system to comply with codes, furnishes the specifications and diagrams, provides periodic inspections, connects, installs, tests the system, and instructs the systems owners and provides operator manuals.

Although the security department of a private business that hires or employs an individual in the capacity of a private security officer to possess a firearm in the course and scope of his duties is required to make application for a security officer commission for the individual, the security department of a private business shall not be required to make application to the Board for any license.

### History:

Act 447 of 1965 established the Investigator Licensing Board and authorized the following fees:

1. Application fee - \$25
2. Filing fee for Private Investigating Agency - \$100
3. Filing fee for Private Investigator - \$50
4. Filing fee for Private Detective - \$50

Act 413 of 1967 provided for the licensing of polygraph examiners and set the following fees:

1. Polygraph Examination Fee ..... \$20
2. Polygraph Examiner License ..... \$60
3. Internship License ..... \$30
4. Polygraph Examiner Duplicate License ..... \$10

- 5. Polygraph Examiner License Renewal ..... \$25
- 6. Internship License Renewal..... \$25
- 7. Duplicate Internship License ..... \$10

Act 605 of 1973 added licensing of Security Guard Agencies and Security Guards to the duties of the Investigators Licensing Board with the following fees:

- 1. Security Guard Agency Annual License..... \$25
- 2. Security Guard Annual License ..... \$ 2

Act 429 of 1977 repealed Act 447 of 1965 and Act 605 of 1973 and established the following fees:

- 1. Class A original license ..... \$200
- 2. Renewal of Class A license ..... \$150
- 3. Class B original license..... \$200
- 4. Renewal of Class B license..... \$150
- 5. Class C original license..... \$200
- 6. Renewal of Class C license..... \$200
- 7. Delinquency fee from ..... \$10  
to \$25
- 8. Application for a security officer commission..... \$ 2
- 9. Original registration fee for private investigators, managers \$75 and \$50 for each annual renewal registration.
- 10. Registration fee for private security officers ..... \$10  
and \$10 for each  
annual renewal.

Act 792 of 1981 amended Act 429 of 1977 and established the present fee.

Act 558 of 1987 provided for the licensing of voice stress examiners and set the following fees:

- 1. Voice Stress Examination Fee ..... \$20
- 2. Voice Stress Examiner License ..... \$60
- 3. Voice Stress Examiner License Renewal..... \$25
- 4. Voice Stress Examiner Duplicate License ..... \$10

Act 926 of 1989 made various changes to the Arkansas Private Investigators and Private Security Agencies Act. This Act also abolished the Alarm Systems Licensing Board.

Act 940 of 1993 provides reciprocity for any person licensed under the laws of another state as a security services contractor systems company, private investigator or alarm.

Act 430 of 1995 increase various fees for private investigators, private security agencies, private security officers and alarm system agents.

Act 1493 of 1999 added and modified definitions and terms relating to alarm system companies and personnel, modified the exemptions of attorney's employees and installers, adds a felonious violation if within one year of a previous violation of the chapter, further defines license classes, and authorizes the board to set fees.

Act 1216 of 2013 amends the qualifications for polygraph examiners, and changes associated fees to:

- 1. Original 2-yr License Fee .....\$120
- 2. Internship License .....\$30
- 3. Duplicate License.....\$15
- 4. Renewal 2-yr License.....\$50
- 5. Renewal Internship License .....\$25
- 6. Wallet size photo ID.....\$15

Act 1472 of 2013 modifies the qualifications and conduct requirements for voice stress analysis examiners. Adds and increases fees for voice stress analysis examiners:

- 1. Original 2-yr License .....\$120
- 2. Renewal 2-yr License .....\$50
- 3. Wallet size photo ID.....\$15

**Revenues Generated:**

Fiscal Year	Amount	%Change
Ending June 30		
2003	\$ 297,425	8.00
2004	\$ 314,545	5.76
2005	\$ 309,410	(1.63)
2006	\$ 515,386	66.57
2007	\$ 373,931	(27.45)
2008	\$ 450,958	20.60
2009	\$ 453,987	0.67
2010	\$ 437,391	(3.66)
2011	\$ 423,482	(3.18)
2012	\$ 483,765	14.24
2013	\$ 432,275	(10.64)
2014	\$ 415,882	(3.79)

**Distribution of Tax:**

Special Revenues for credit to the Department of State Police Fund

**Administered by:**

The Director of the Arkansas State Police

**Cite:**

Arkansas Code (1987) 17-32-207; 17-32-305; 17-33-209; 17-33-328; 17-39-207; 17-39-305

## 8.21. PRIVATE CAREER EDUCATION

The State Board of Private Career Education, acting through the Director, shall formulate standards for the approval of sales representatives, solicitors or admissions representatives and issue licenses to those schools that meet the standards set by the Board.

### Rate and Base:

School License Fee - Set by the Board

Solicitor & Representative License Fee - Set by the Board  
School Renewal Fee - Set by the Board

### Exemptions:

1. Private institutions exclusively offering instruction at any or all levels from preschool through twelfth grade;
2. Schools established by laws of Arkansas, governed by Arkansas boards and permitted to operate for the sole purpose of providing specific training normally required to qualify persons for occupational licensure by state boards or commissions, which determine education and other standards for licensure and operation of such schools;
3. Community colleges, state universities or state colleges coordinated by the State Board of Higher Education;
4. Courses offered by institutions or individuals for personal improvement, vocational or recreational, if designated through media or other sources, as not for the purpose of enhancing an occupational objective;
5. Schools operated for religious instruction that are exempt from property taxation under laws of this state;
6. A training program offered or sponsored by an employer for training and preparation of its own employees and for which no tuition fee is charged;
7. A course of study or instruction sponsored by a recognized trade, business or professional organization with a closed membership and for which no fee is charged the student;
8. A school or educational institution supported by state or local government taxation;
9. Individual flight instructors licensed under appropriate Federal Aviation Administration regulations.

### History:

Act 906 of 1989 established the State Board of Private Career Education and established its duties and powers.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 267,243	(9.85)
2004	\$ 322,660	20.74
2005	\$ 273,632	(15.19)
2006	\$ 289,307	5.73
2007	\$ 291,322	0.70
2008	\$ 350,912	20.46
2009	\$ 291,491	(16.93)
2010	\$ 348,648	19.61
2011	\$ 324,551	(6.91)
2012	\$ 299,755	(7.64)
2013	\$ 333,341	11.20
2014	\$ 302,073	(9.38)

### Distribution of Tax:

Renewal fees are deposited in the Private Career School Student Protection Trust Fund. All other fees are deposited as special revenues credited to the Private Career Education Fund.

### Administered by:

State Board of Private Career Education

### Cite:

Arkansas Code (1987) 6-51-601 et seq.

## 8.22. PUBLIC SERVICE COMMISSION FEES

The Public Service Commission collects from the public utilities that it regulates assessment fees, annual filing fees, security approval fees and various miscellaneous fees and deposits them in the State Treasury.

### Rate and Base:

Utility assessment fee is an amount which is equivalent to that proportion of the total utility costs that the gross earning of each utility bears to the gross earnings of all utilities provided that the fee collected from each utility cannot exceed 2/5 of 1% of the gross earnings of each utility.

Other fees charged by the Commission:

1. \$200 for the filing of each application for a Certificate of Public Convenience.
2. Other fees set by the Commission.

### Exemptions:

Utilities operated within the limits of a city where jurisdiction has been conferred upon the city council or commission, and anyone who furnishes services to himself or to his employees or tenants and when such service is not resold.

### History:

Act 571 of 1919 placed the authority to regulate public service corporations under the Arkansas Corporation Commission created by the Act and authorized the following fees:

1. Special License Fees fixed by the State Auditor according to the value of the property of the public service corporation and was apportioned among the public service corporations so as to produce revenues of \$35,000 per year.
2. The commission charged and collected the following fees: For copies of papers and records not required to be certified or otherwise authenticated by the commission, 10¢/folio; for certified copies of official documents and orders filed in its office, 15¢/folio and \$1 for each certificate under seal affixed thereto; for certifying a copy of any report made by a public utility, \$2; for each certified copy of the annual report of the Commission, \$1.50; for certified copies of evidence and proceedings before the Commission, 15¢/folio; for certificate authorizing an issue of bonds, notes or other evidence of indebtedness, \$1 for each \$1,000 of the face value of the authorized issue or fraction thereof up to \$1,000,000, and 50¢ for each \$1,000 over \$1,000,000 and up to \$10,000,000, and 25¢ for each \$1,000 over \$10,000,000, with a minimum fee in any case of \$50.

Act 72 of 1933 created a Fact Finding Tribunal as a bureau of the Corporation Commission that had the power and duty to investigate and make a finding of all facts entering into the basis of rates set by the Corporate Commission. The Act authorized a fee to be charged each public utility of \$2 for each \$1,000 of the gross earnings of each utility which was in addition to all other taxes and fees prescribed by law.

Act 324 of 1935 abolished the Fact Finding Tribunal and established the Department of Public Utilities in the Arkansas Corporation Commission and authorized a fee of 2/5 of 1% of the gross earnings of each utility, and provided that fees levied by Act 72 of 1933 would be credited upon the fees levied by Act 324.

Act 324 also levied the following fees:

1. For filing a tariff schedule or amendment thereto, \$2.50;
2. For filing each annual report of any public utility, \$5.00;
3. For filing each application for approval of construction and/or exercise of a franchise for a certificate of convenience and necessity for the transfer or lease of franchise, or any part thereof, for transfer or lease of equipment and facilities, or any part thereof, for sale or transfer of issued or outstanding securities, or any part thereof, or any other application for approval of the Department, \$5.00;
4. For filing each application by any public utility for the issuance of bonds, notes and other evidence of indebtedness according to the amount thereof, as follows: \$1 for each \$1,000 of the issue up to \$1 million and 50¢ for each \$1,000 over \$1 million and up to \$10 million, and 25¢ for each \$1,000 over \$10 million with a minimum fee of \$10. The only fees that shall be charged on account of reissue of securities shall be such necessary to cover the cost of any investigation of the books, records and property of the issuing company;
5. For copies of papers and records not required to be certified or otherwise authenticated by the Department, 10¢/folio;
6. For certified copies of official documents and orders filed in its office, 15¢/folio;
7. \$1 for every certificate under seal affixed thereto;
8. For certifying a copy of any report made by a corporation to the Department, \$2;
9. For each certified copy of the annual report of the Department, \$1.50;
10. For certified copies of evidence and proceedings before the Department, 15¢/folio.

Act 40 of 1945 established the present Utility Assessment Fee based on gross earnings.

Act 742 of 1989 provides that the Commission shall charge a fee of \$200 for the filing of each application for a Certificate of Public Convenience. This Act also authorizes the Commission to set the fees for copying and certifying the copy of any filed document.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 7,723,105	(9.11)
2004	\$ 7,750,503	0.35
2005	\$ 7,171,068	(7.48)
2006	\$ 8,133,810	13.43
2007	\$ 7,743,835	(4.79)
2008	\$ 8,775,034	13.32
2009	\$ 8,013,180	(8.68)
2010	\$ 8,136,267	1.54
2011	\$ 8,374,580	2.93
2012	\$ 9,363,454	11.81
2013	\$ 9,443,458	0.85
2014	\$ 8,722,104	(7.64)

**Distribution of Tax:**

Special Revenues for credit to Public Service Fund

**Administered by:**

Public Service Commission

**Cite:**

Arkansas Code (1987) 23-2-314; 23-3-110

## 8.23. PUBLIC SERVICE COMMISSION - UTILITY SAFETY FEE

The Public Service Commission makes assessments and collects fees from interstate pipelines to carry out a gas pipeline safety inspection program. The Commission deposits the funds collected in the State Treasury.

### Rate and Base:

1. An inspection fee is collected to recover the expense for the operations of the Utility Safety Section and cannot exceed 2/5 of 1% of the gross utility revenues from Arkansas business.
2. An inspection fee is collected from each pipeline company operating in Arkansas to recover the expenses of a safety inspection and enforcement program applicable to interstate natural gas pipelines. The fee cannot exceed \$1 per three-inch equivalent mile of pipeline. However, if a person is liable for inspection fees under both provisions, then that person pays only the fee that is greater.

### Exemptions:

None

### History:

Act 285 of 1971 authorized the Public Service Commission to administer the Natural Gas Pipeline Safety Act and establish the inspection fee of 2/5 of 1% of the gross revenues as Special Revenues for credit to the Public Service Commission Fund to cover the expenses of the program.

Act 877 of 1975 amended Act 285 of 1971 and added the inspection fee based on the number of three-inch equivalent pipeline miles within Arkansas and provided that the fees should be credited to the Public Service Commission Utility Safety Fund.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 403,906	(6.22)
*2004	\$ 7,038	(98.26)
2005	\$ 959,875	13,538.46
2006	\$ 194,488	(79.74)
2007	\$ 650,592	234.52
2008	\$ 428,568	(34.13)
2009	\$ 478,720	11.70
2010	\$ 571,408	19.36
2011	\$ 103,225	(81.93)
2012	\$ 651,591	531.24
2013	\$ 446,047	(31.54)
2014	\$ 664,358	48.94

\*Pursuant to the Public Service Commission's authority to roll funds from one fiscal year to the next, an order was issued reflecting their decision to omit the annual assessment for this year.

### Distribution of Tax:

Special Revenues for credit to the Public Service Commission Utility Safety Fund

### Administered by:

Public Service Commission

### Cite:

Arkansas Code (1987) 23-15-214

## 8.24. REGULATED SUBSTANCE STORAGE TANK

No person shall install or operate an aboveground or underground storage tank without first registering or being licensed by the Department of Pollution Control and Ecology.

### **Rate and Base:**

License Fee of installer is set by regulation. Annual tank registration fee - set by regulation, but not more than \$75/per tank.

### **Exemptions:**

None.

### **History:**

Act 172 of 1989 established the Regulated Substance Storage Tank program and established the current fees.

Act 594 of 1991 provides that \$10 of the \$35 annual registration fee shall be credited to the State Police Fund for monitoring above ground storage tanks.

Act 810 of 1993 provides for an annual registration fee not to exceed \$50.00 for both above ground and underground storage tanks. Also, \$10 of the annual fee is credited to the State Police Fund.

Act 193 of 2005 authorizes alternative forms of financial assurances for licensed installers and testers of underground storage tanks.

Act 671 of 2005 increases the annual registration fee for underground and above ground storage tanks up to \$75.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 498,358	3.02
2004	\$ 4 89,135	(1.85)
2005	\$ 496,560	1.52
2006	\$ 555,743	11.92
2007	\$ 749,468	34.86
2008	\$ 633,905	(15.42)
2009	\$ 658,930	3.95
2010	\$ 658,888	(0.01)
2011	\$ 595,430	(9.63)
2012	\$ 676,155	13.56
2013	\$ 665,440	(1.58)
2014	\$ 637,720	(4.17)

### **Distribution of Tax:**

Special Revenues - \$10 per tank to be deposited in the State Police Fund.

### **Administered by:**

Department of Pollution Control and Ecology.

### **Cite:**

Arkansas Code (1987) 8-7-801 et. seq.



## 8.25. SECRETARY OF STATE FEES

The Secretary of State collects fees from corporations, public officers commissions, notaries, cooperatives, educational institutions, and others and deposits all funds in the State Treasury.

### Rate and Base:

#### Corporation Fees (4-27-122)

Document	Fees
1. Articles of incorporation	\$ 50
2. Application for use of indistinguishable name	No fee
3. Application for reserved name	25
4. Notice of transfer of reserved name	25
5. Application for registered name	50
6. Application for renewal of registered name	25
7. Corporation's statement of change of registered agent or registered office or both	25
8. Agent's statement of change of registered office for each affected corporation not to exceed a total of	125
9. Agent's statement of resignation	No fee
10. Amendment of articles of incorporation	50
11. Restatement of articles of incorporation with amendment of articles	100
12. Articles of merger or share exchange	100
13. Articles of dissolution	50
14. Articles of revocation of dissolution	150
15. Certificate of administrative dissolution	No fee
16. Application for reinstatement following administrative dissolution	50
17. Certificate of reinstatement	No fee
18. Certificate of judicial dissolution	No fee
19. Application for certificate of authority	300
20. Application for amended certificate of authority	300
21. Application for certificate of withdrawal	300
22. Certificate of revocation of authority to transact business	No fee
23. Articles of correction	30
24. Application for certificate of existence or authorization	15
25. Any other document required or permitted to be filed by this chapter	25

The Secretary of State shall collect a fee of twenty-five dollars (\$25) each time process is served on him under this chapter. The party to a proceeding causing service of process is entitled to recover this fee as costs if he prevails in the proceeding.

#### Corporation Fees (4-27-1705)

Document	Fees
1. Articles of incorporation	\$ 50
2. Amendment to articles of incorporation	50
3. Articles of merger or consolidation	100
4. Corporation's statement of registered agent or office or both	25
5. Agent's statement of change of registered office/agent for each affected corporation	200

Document	Fees
not to exceed a total of	
6. Application for fictitious name	25
7. Application for reserved name	25
8. For any other filing under this chapter with annexed certificate	25
9. For any certificate pursuant to pursuant to Section 4-26-106 or Section 4-26-207 or any other certificate	25
50¢ per page and \$5 for the certificate thereto	
10. For furnishing a certified copy of any document, ...	25
11. For receiving service of process on behalf of a corporation	10
12. For receiving service of process on behalf of individuals	10

Any corporation which shall employ an increased amount of its capital stock within Arkansas is obligated to pay fees at the same rate upon any such increase. Whenever there is any such increase, the corporation must file a statement with the Secretary of State showing the amount of such increase.

Notary Public Commission - \$20 for a period of 10 years (21-14-101)

Foreign Limited Partnership Filing Fee - \$300 (4-43-1104)

Domestic Limited Partnership Filing Fee - \$50 initial fee and a fee not to exceed \$15 for any other filing (4-43-1104)

Institutions of Learning Charter Filing Fee - \$15 plus \$5 for any amendment (6-2-108)

Nonprofit Corporation Filing Fees (4-28-223) – for filing:

Articles of Incorporation and issuing a Certificate of Incorporation, \$50; Filing an application of foreign corporation function for certificate of authority to conduct affairs in this State and issuing a certificate of authority, \$300; Other administrative functions, \$1.

Professional Corporation Registration Fee - \$25 plus \$10 annual renewal fee (4-29-210)

Uniform Commercial Code Filing Fees (4-9-401 et seq.)

1. The fee for filing a continuation - \$6.00
2. The fee for filing a termination statement, if it pertains to the filing of a financial statement before July 28, 1995 - \$6.00
3. The fee for each separate search - \$6.00
4. The fee for filing an assignment - \$6.00
5. The fee for filing a release - \$6.00
6. The fee for filing an amendment - \$6.00
7. The fee for issuing a certificate or copy of any record on file:
  - o One page record - \$6.00
  - o Each additional page to a maximum of \$100 - 50¢

Trademark Registration Fee - \$20 for a period of 10 years plus a \$50 renewal fee each 5 years (4-71-206; 4-71-108)

Assignment of mark - \$20

Commission and Miscellaneous Fees (21-6-202)

1. For affixing the Great Seal of the State or the Seal of the Secretary of State to any instrument - \$ 5.00
2. For every commission issued to a citizen of another state - \$10.00
3. For every commission issued to a State Officer other than prosecuting attorneys - \$15.00
4. For every commission issued to prosecuting attorneys - \$15.00
5. For every commission issued to sheriff, collector, clerk, county judge, treasurer, assessor, coroner or surveyor - \$10.00
6. For every commission issued to any other county officer (other than members of the General Assembly) or to justices of the peace - \$ 5.00
7. For all copies of records or other written or printed files in the office of the Secretary of State, and for recording, for every page - \$ 0.80
8. For all copies of maps, profiles, or other files of a similar nature, such fee as may be established by the Secretary of State, to be determined with reference to the amount of clerical labor and stationery required to make such copies, at the rate of not less than \$1/hour for the time employed in making the same.

Cooperative Marketing Association Filing Fee \$5 and for filing an amendment, \$2.50 (2-2-410)

Rural Telephone Cooperative Fees - \$10 for filing articles of incorporation; filing for an amendment, \$10; filing articles of consolidation, \$10; and filing a Certificate of Dissolution, \$1 (23-17-226)

Agricultural Cooperatives Association - annual license fee, \$10; articles of incorporation, \$5 and \$2.50 for filing an amendment (2-2-123; 2-2-124)

Rural Electrification Corporation - filing fees, \$10; \$10 for articles of amendment; \$10 for articles of dissolution, and an annual license fee of \$10 for each 100 members (23-18-326; 23-18-329)

Transportation Companies Incorporation Fees - \$100 on all lines not exceeding 25 miles; on lines exceeding 25 miles, \$4/mile for every additional mile (23-11-102) and (23-11-220) amendment to articles of incorporation fee - \$5

Express, Sleeping Car and Private Car Incorporation Fees - \$1/mile for every mile of railroad over which such companies propose to do business in Arkansas (23-11-102)

**Exemptions:**

None

**History:**

Domestic Corporation Fees (Act 255 of 1931)

Foreign Corporation Fees (Act 187 of 1939)

Notary Public Commissions (Act 17 of 1874)

Foreign Limited Partnership Filing Fee (Act 588 of 1979)

Domestic Limited Partnership Filing Fee (Act 657 of 1979)

Institutions of Learning Charter Filing Fee (Act 375 of 1911)

Nonprofit Corporation Filing Fee (Act 51 of 1875)

Professional Corporation Registration Fee (Act 155 of 1963)

Professional Fund Raiser Registration Fee (Act 253 of 1959)

Professional Solicitor Registration Fee (Act 253 of 1959)

Uniform Commercial Code Fees (Act 185 of 1961)

Trademark Registration Fee (Act 132 of 1883)

Commissions and Miscellaneous Fees (Act 77 of 1875)

Cooperative Marketing Association Filing Fee (Act 116 of 1921)

Rural Telephone Cooperative Fees (Act 51 of 1921)

Agricultural Cooperative Association Fee (Act 153 of 1939)

Rural Electrification Cooperative Fees - (Act 342 of 1937)

Transportation Companies Incorporation Fees (Act 87 of 1911)

Express, Sleeping Car and Private Car Incorporation Fee (Act 87 of 1911)

Mutual Corporation Incorporation Fees (Act 87 of 1911)

Act 108 of 1987 established the Central File Farm Lien system in the Office of the Secretary of State and provided for the following fee schedule:

1. Registration Fee - \$30
2. Confirmation of filing of a financial statement - \$10
3. Annual list of buyers, merchants and sellers of farm products - \$100

Act 1068 of 1987 increased various corporate filing fees. The Act sunset 12-31-87.

Act 958 of 1987, Arkansas Business Corporation Act, contains the same corporate filing fee increases as Act 1068 and became effective January 1, 1988.

Act 301 of 1989 increased various fees charged for certain services of the Secretary of State under ACA 21-6-202.

Act 304 of 1989 increased the notary public commission fee to \$20.

Act 373 of 1989 requires persons possessing a machine gun which uses a pistol cartridge of .30 caliber or larger to register with the Secretary of State.

Act 534 of 1989 increased various fees under the Uniform Commercial Code.

Act 544 of 1989 requires persons soliciting athletes to enter into professional sports services contracts to register with the Secretary of State and pay a registration fee of \$100.

Act 841 of 1991 transferred the responsibilities concerning filings of charitable organizations from the Secretary of State to the Attorney General's Office.

Act 842 of 1991 transferred the responsibilities of registration of professional fund raisers and solicitors from the Secretary of State to the Attorney General's Office.

Act 1549 of 2001 prevents filings with the Secretary of State's Office if franchise taxes are owed.

Act 1473 of 2003 provides that the Secretary of State shall periodically report to the Treasurer of State the number of filing and indexing fees collected under 4-9-525(a)(1) from July 1, 2001 through June 30, 2013. The Treasurer of State shall deposit twelve dollars (\$12) of every such fee into a separate account to the benefit of qualifying circuit clerks. The proceeds shall be distributed at least quarterly to the county recorder cost fund of qualifying counties in proportion to the total fees collected.

Act 942 of 2009 provides central filing with the Secretary of State for agricultural liens and security interest and provide filing fees and distribution of filing fees.

Act 1181 of 2009 repealed Act 373 of 1989.

Act 276 of 2013 establishes the Arkansas Video Service Act, allowing video service providers to receive a certificate of franchise authority from the Secretary of State. (23-19-206)

Act 1179 of 2013 allows the Secretary of State to establish rental or leasing fees for property within the State Capitol Building, the Capitol Hill Building, and the adjacent parking areas.

Act 1311 of 2013 clarifies procedure for remitting to the Treasurer of State certain fees associated with the Uniform Commercial Code.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 3,444,820	0.93
2004	\$ 3,377,289	(1.96)
2005	\$ 4,097,464	21.32
2006	\$ 4,086,708	(0.26)
2007	\$ 4,108,091	0.52
2008	\$ 4,411,228	7.38
2009	\$ 3,360,302	(23.82)
2010	\$ 3,359,357	(0.03)
2011	\$ 3,353,510	(0.17)
2012	\$ 3,393,147	1.18
2013	\$ 3,437,661	1.31
2014	\$ 3,689,408	7.32

**Distribution of Tax:**

Special Revenues for credit to the State Central Services Fund and the county recorder cost fund.

**Administered by:**

The Secretary of State

**Cite:**

As listed above under Rate and Base

## 8.26. STATE SECURITIES DEPARTMENT FEES

The Securities Commissioner collects all fees due from security dealers, credit unions, savings and loans, mortgage loan companies, organizations selling prepaid funeral benefits and sellers of checks and money orders and deposits the money in the State Treasury.

### Rate and Base:

Registration of Issuers: Fee is computed on 1/10 of 1% of offering by the issuer, but shall not to exceed \$2,000 or be less than \$150. (23-42-404)

Exemption from Registration: Filing fees for securities exempt from registration vary according to the particular section under which the securities are exempt. The various fees are:

1. 1/10 of 1% of the maximum aggregate offering price, but no less than \$25 or more than \$500. (23-42-504)
2. A flat fee of \$50 or \$100.

	Fees
<u>Broker-Dealers</u> (23-42-304):	
Initial Registration or Renewal	\$300
<u>Agent</u> (23-42-304):	
Initial Registration or Renewal	\$ 75
<u>Investment Adviser</u> (23-42-304):	
Initial Registration or Renewal	\$300
Representative Initial Registration	\$ 75
<u>Mortgage Loan Banker, Broker or Servicer</u> (23-39-505):	
Initial Registration	\$750
Annual Renewal Registration	\$350
<u>Mortgage Loan Branch Office</u> (23-59-505 and 506):	
Initial Registration and Renewal	\$100
Annual Renewal Registration	\$350
<u>Loan Officer</u> (23-39-505 and 506)	
Initial Registration and Renewal	\$50

### Commissioner's Examination of Books and Records

Mortgage Loan Companies (23-39-514): Not to exceed \$150/day; Issuers, Broker-Dealers or Registered Advisers (23-42-306): Not to exceed \$100/day.

Sale of Rules and Regulations (23-42-206): Fee set by Securities Dept. No fees for rules.

Sale of Arkansas Securities Act: Fee set by Securities Dept. No fees for rules.

Credit Unions (23-35-301): Charter Registration - Charter Fee Annual Supervision Fees (set by Credit Union Supervisor) (23-35-205):

1. When filing its annual report each February 1, each credit union shall pay to the Credit Union Division, for the preceding calendar year, an annual fee in accordance with the graduated scale set forth below, on the basis of assets as of December 31 of such preceding year, but such fee shall not be less than \$10. No such annual fee shall be payable by a credit union with respect to the year in which it is organized or the year in which final distribution is made in liquidation of the credit union or the articles of incorporation are otherwise canceled.

2. The scale of annual fees shall be as follows:

Total Assets	Maximum Fee
\$500,000 or less	6¢ per \$1,000
Over \$500,000 but not Over \$1,000,000	\$30 + 4¢ per \$1,000 in excess of \$500,000
Over \$1,000,000	\$50 + 2¢ per \$1,000 in excess of \$1,000,000

3. Annual Examination fee - \$80/each examiner day or \$40/half day or part thereof. In addition, each credit union shall pay the actual travel, meal and lodging expenses of each examiner from Little Rock and return. The fee will be prorated if more than one examination is made in one trip.
4. Credit Unions in liquidation may be examined prior to or following completion of liquidation. The fee for such examination shall be the same as for each annual examination. (23-35-705)
5. The fee for each proposed amendment to the articles of incorporation and bylaws is \$5. (23-35-302)

	Fees
<u>Savings and Loan Associations</u> (23-37-107)	
Application for Charter	\$1,500
Protest to an Application for Charter - Each	1,000
Petition for Rehearing of Charter Application	750
Annual Fee - Assessment Basis is Utilized	250 to 5,000
Extraordinary Examination -	
Services of Examiner, Maximum/day + actual travel expenses from Little Rock and return	100
Request for Special Meeting of Board	1,500
Application for Branch Office	250
Protest to an Application for Branch Office/Protest	500
Protest to an Application for Branch Office/Applicant	250
Petition for Rehearing of Branch Application	750
Filing and Approving by Law Amendment of Articles of Incorporation	25
Filing a Petition for Conversion and Verified Minutes Evidencing a Conversion or Plan of Merger or Consolidation	250
Filing a Certificate of Dissolution	100

	Fees
Filing a Copy of a Charter of a Federal Savings and Loan	50
Each Regular Examination by an Authorized Examiner plus actual travel expenses from Little Rock and return	50/day
Issuing of Annual Renewal of Broker's License	500
<b>Sellers of Checks and Money Orders</b> (23-41-111 -23-41-120)	
Non-refundable application fee	\$1,500
Annual Fee/Renewal	750
Filing Semiannual Reports	25
Services of Examiner, Maximum per Day	100
actual travel expenses from Little Rock and return to maximum of	\$1,000 /year
Filing Semiannual Financial Statements	25

### Exemptions:

Securities and Transactions Exempt From Registration Under the Securities Act:

a. The following securities are exempted from §§ 23-42-501 and 23-42-502:

1. A. Any security, including a revenue obligation, issued or guaranteed by this state, any political subdivision of this state, or any agency or corporate or other instrumentality of one (1) or more of the foregoing, or any certificate of deposit for any of the foregoing.

B. Any securities that are offered and sold pursuant to Section 4(5) of the Securities Act of 1993 or that are "mortgage related securities" as that term is defined in section 3(a)(41) of the Securities Exchange Act of 1934 are not Covered securities in the same manner as Obligations issued or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. These instruments, commonly referred to as private mortgage-backed securities, may be exempt from the registration requirements of this chapter provided that the transaction or the securities are otherwise exempt under this section. This provision specifically overrides the preemption of state law contained in section 106(c) of the Secondary Mortgage Market Enhancement Act of 1984, Public Law 98-440, of the United States.

1. Any security issued or guaranteed by Canada, any Canadian province, any political subdivision of any Canadian province, any agency or corporate or other instrumentality of one (1) or more of the foregoing, or by any other foreign government with which the United States currently maintains diplomatic relations, if the security is recognized as a valid obligation by the issuer or guarantor;

2. Any security issued by and representing an interest in or a debt of any bank organized under the laws of the United States, or any federally insured savings bank, or any bank, savings institution, or trust company organized and supervised under the laws of any state,

or any bank holding company regulated under the Bank Holding Company Act of 1956, as amended;

3. Any security issued by and representing an interest in or a debt of any state or federal savings and loan association, or any federally insured savings bank, or any building and loan or similar association organized under the laws of any state and authorized to do business in this state or any savings and loan holding company regulated by the Office of Thrift Supervision of the United States department of the Treasury or its successor;

4. Any security issued or guaranteed by any public utility or holding company which is:

A. A registered holding company under the Public Utility Holding Company Act of 1935 or a subsidiary of such a company within the meaning of that act;

B. Regulated in respect of its rates and charges by a governmental authority of the United States or any state; or

C. Regulated in respect of the issuance or guarantee of the security by a governmental authority of the United States, any state, Canada, or any Canadian province;

5. Any security of a world-class foreign issuer that meets the qualifications as set forth by rule of the commissioner;

6. Any security issued by any person organized and operated not for private profit but exclusively for religious, educational, benevolent, charitable, fraternal, social, athletic, or reformatory purposes, or as a chamber of commerce or trade or professional association. Section 6(c) of the Philanthropy Protection Act of 1995, Pub. L. 104-62, of the United States shall not preempt any provision of this chapter;

7. Any investment contract or other security issued in connection with an employee's stock purchase, savings, pension, profit sharing, stock bonus, stock option, or similar benefit plan. Plans which do not meet the requirements for qualification under the United States Internal Revenue Code must file with the commissioner prior to any offer or sale a notice specifying the terms of the plan. The commissioner may by order disallow the exemption within ten (10) days; and

8. Any security as to which the commissioner by rule or order finds that registration is not necessary or appropriate in the public interest or for the protection of investors.

b. The commissioner may, from time to time, by his rules, and subject to any terms, conditions, and fees which may be prescribed therein, add any class of securities to the securities exempted as provided in this section if he finds that the enforcement of this chapter with respect to the securities is not necessary in the public interest and for the protection of investors by reason of the small amount

involved or the limited character of the public offering, but no issue of securities shall be exempted under this section where the aggregate amount at which the issue is offered to the public exceeds one million dollars (\$1,000,000);

c. The following shall apply to farm cooperatives organized under the laws of this state as a business corporation but operated as a cooperative, or organized and operated in this state under § 2-2-101 et seq., §§ 2-2-401 - 2-2-411, 2-2-413 - 2-2-429, 4-30-101 - 4-30-117, 4-30-201, 4-30-202, and 4-30-204 - 4-30-207, and to any nonprofit farm cooperative which is qualified to do business in this state:

1. Any common stock, preferred stock, promissory note, debenture, or other security may be issued to any cooperative member after either compliance with subsection (d) of this section or delivery to the cooperative member and filing, with the commissioner, of financial statements of the farm cooperative for each of the two (2) fiscal years as of a date not earlier than four hundred fifty-five (455) days prior to the issuance of the security, all of which statements shall have been audited, examined, and certified by independent public accountants to have been prepared in accordance with generally accepted accounting principles consistently maintained by the cooperative during the fiscal years represented by the statements. No registered agent shall be required if no commission or other remuneration is to be paid in connection with the offer and sale of such securities; or
2. Any interest or agreement which qualifies its holder to be a member or other patron of a farm cooperative or which represents the terms or conditions by which members or other patrons purchase or sell agricultural products or commodities from, to, or through a farm cooperative, or which represents a capital retain, or patronage distribution issued by a farm cooperative solely to its members or other patrons shall not be considered to be a security under this chapter and shall not be subject to the provisions of this chapter, provided:
  - A. The instruments or interests are properly identified and not labeled with the traditional names of investment securities as defined by §23-42-102(15);
  - B. The instruments or interests are not part of a class of instruments or interests regularly bought or sold for investment purposes or for which an active trading market exists. However, this limitation shall not in any way restrict the bona fide pledge of the instruments or interests; and
  - C. No commission or other remuneration is paid in connection with the sale or issuance to members or other patrons of the interests and instruments. This exemption shall not apply to those interests or instruments which possess the characteristics of an investment contract or other security as interpreted under the laws of the State of Arkansas.
3. The commissioner may render foreign nonprofit farm cooperatives the privilege afforded Arkansas nonprofit

farm cooperatives set forth in subdivision (c) (2) of this section, provided such foreign cooperative first files supporting documents verifying that it is qualified to do business in Arkansas, that members have substantially the same rights as members of farm cooperatives organized under the nonprofit farm cooperative corporate laws of this state, that the offering is within the scope of subdivision (c)(2) of this section, and any other information which the commissioner deems appropriate.

The following transactions are exempted from §§ 7 and 15 [23-42-501; 23-42-502]:

- a. The following transactions are exempted from §§ 23-42-501 and 23-42-502:
  1. Any isolated nonissuer transactions, whether effected through a broker-dealer or not. Provided, that repeated or successive transactions shall be prima facie evidence that the transactions are not isolated nonissuer transactions;
  2. Any nonissuer transaction by a registered agent of a registered broker-dealer, and any resale transaction by a sponsor of a unit investment trust registered under the Investment Company Act of 1940, in a security of a class that has been outstanding in the hands of the public for at least ninety (90) days provided, at the time of the transaction:
    - A. The issuer of the security is actually engaged in business and not in the organization stage or in bankruptcy or receivership and is not a blank check, blind pool or shell company whose primary plan of business is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person or persons;
    - B. The security is sold at a price reasonably related to the current price of the security;
    - C. The security does not constitute the whole or part of an unsold allotment to, or a subscription or participation by, the broker-dealer as an underwriter of the security;
    - D. A nationally recognized securities manual designated by rule or order of the commissioner or a document filed with the Securities and Exchange Commission that is publicly available through the Securities and Exchange Commission's Electronic Data Gathering and Retrieval System (EDGAR) and contains:
      - i. A description of the business and operations of the issuer;
      - ii. The names of the issuer's officers and directors, if any, or, in the case of an issuer not domiciled in the United States, the corporate equivalents of such persons in the issuer's country of domicile;
      - iii. An audited balance sheet of the issuer as of a date within eighteen (18) months or, in the case of a reorganization of merger where

parties to the reorganization or merger had such audited balance sheets, a pro forma balance sheet; and

- iv. An audited income statement for each of the issuer's immediately preceding two (2) fiscal years, or for the period of existence of the issuer, if in existence for less than two (2) years, or, in the case of a reorganization or merger where the parties to the reorganization or merger had such audited income statements, a pro forma income statement; and
- E. The issuer of the security has a class of equity securities listed on a national securities exchange registered under the Securities Exchange Act of 1934, or designated for trading on the National Association of Securities Dealers Automated Quotation System, unless:
  - i. The issuer of the security is a unit investment trust registered under the Investment Company Act of 1940, or
  - ii. The issuer of the security has been engaged in continuous business (including predecessors) for at least three (3) years, or
  - iii. The issuer of the security has total assets of at least two million dollars (\$2,000,000) based on an audited balance sheet as of a date within eighteen (18) months or, in the case of a reorganization or merger where parties to the reorganization or merger had such audited balance sheets, a pro forma balance sheet.
3. Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;
4. Any transaction in a bond or other evidence of indebtedness secured by a real or chattel mortgage or deed of trust, or by an agreement for the sale of real estate or chattels if the entire mortgage, deed of trust, or agreement, together with all the bonds or other evidences of indebtedness secured thereby, is offered and sold as a unit;
5. Any transactions by an executor, administrator, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;
6. Any transaction executed by a bona fide pledgee without any purpose of evading this chapter;
7. Any transactions by a person exempted from registration under § 23-42-102(3)(E), provided that the transaction would be lawful in the place of residence of the offeree or purchaser had it occurred there instead of in this state.
8. Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity. The commissioner may by order,

upon petition by any person, determine if the petitioner may be deemed, upon the basis of knowledge, experience, volume, and number of transactions, and other securities background, an "institutional buyer" for purposes of this subdivision (a)(8);

9. A. Any transaction pursuant to an offer and sale to not more than thirty-five (35) purchasers other than those designated in subdivision (a)(8) of this section during any period of twelve (12) consecutive months, if:
  - i. The seller reasonably believes that all the buyers in this state are purchasing for investment; and
  - ii. No commission or other remuneration shall be paid or given directly or indirectly for soliciting any prospective buyer in this state unless the person receiving any such commission or remuneration is registered pursuant to § 23-42-301.
- B. However, the commissioner may by rule or order, as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase or decrease the number of purchasers permitted, or waive the conditions in subdivisions (a)(9)(A)(i) and (ii) of this section with or without the substitution of a limitation on remuneration;
10. Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities or warrants, if no commission or other remuneration, other than a standby commission, is paid or given directly or indirectly for soliciting any security holder in this state, unless the commissioner shall, upon written application, permit the payment of a commission or other remuneration with or without the substitution of a limitation or remuneration.
11. Any offer, but not a sale, of a security for which registration statements have been filed under both this chapter and the Securities Act of 1933 if no order or refusal order is in effect and no public proceeding or examination looking toward such an order is pending under either act;
12. Any other transaction which the commissioner by rule or order exempts as not being necessary or appropriate in the public interest for the protection of investors.

#### **Exemptions under the Sale of Checks Act**

1. Money received by a telegraph company for transmission.
2. Sale of exchange by governmental departments organized under the general banking laws of the State or of the United States.

#### **Exemptions Under the Mortgage Loan Company and Loan Broker Act**

- a. The following shall be exempt from registration, bond, and net worth under this chapter:

1. Any Arkansas or federally chartered bank, savings bank, trust company, savings and loan association, credit union, industrial loan company, insurance company, small business investment corporation licensed pursuant to the Small Business Investment Act of 1958, as amended, or real estate investment trust as defined in 26 U.S.C. § 856, or any direct, wholly owned subsidiary of one of these organizations;
2. An attorney at law rendering services in the performance of his duties as an attorney at law;
3. A. An Arkansas licensed real estate broker rendering services in the performance of his duties as a real estate broker who obtains financing for a real estate transaction if:
  - i. The real estate broker does not act as a loan broker in more than five (5) transactions during any twelve-month period;
  - ii. He does not receive a fee for his activities as a loan broker until after financing is actually obtained; and obtained; and
  - iii. He files with the commissioner, within thirty (30) days of each transaction, a disclosure statement describing the transaction, which statement shall contain any information which the commissioner by rule or order may require.
- B. An Arkansas licensed real estate broker rendering services in the performance of his duties as a real estate broker who acts as a loan broker and who receives a fee for obtaining financing in six (6) or more real estate transactions in any twelve-month period must register under this chapter but is exempt from the net worth requirements herein;
4. Any mortgage loan company which is subject to licensing, supervision, or auditing by the Federal National Mortgage Association, the Government National Mortgage Association, or the United States Department of Housing and Urban Development as an approved seller or services. However, the mortgage loan company shall submit an annual audited financial statement of its books and records accompanied by an opinion acceptable to the commissioner. The audit shall be filed with the commissioner within ninety (90) days of the close of its fiscal year. Any mortgage loan company licensed with the United States Department of Veterans Affairs on or before July 1, 1997, shall be exempt from the registration, bond, and net worth requirements of this chapter so long as that mortgage loan company remains so licensed and is otherwise in compliance with the provisions of this chapter;
5. Any person doing any act under order of any court;
6. Only one (1) natural person, or husband or wife, who provides funds for investment in loans secured by a lien on real property, on his own account, who does not charge a fee or cause a fee to be paid for any service other than the normal and scheduled rates for escrow, title insurance, and recording services and who does not

collect funds to be used for the payment of any taxes or insurance premiums on the property securing the loans;

7. Any person doing business under the laws of this state or the United States relating to any broker-dealer, agent, or investment advisor duly registered with the State Securities Department.
8. The United States, the State of Arkansas or any other state, any Arkansas city, county, or other political subdivision, and any agency, division, or corporate instrumentality of any of the foregoing;
9. Any person, or wholly owned subsidiary thereof, who makes sales of real property which that person owns and who makes purchase money loans to the purchasers of the real property, which loans are secured by a lien or mortgage on that real property, provided that no funds for the payment of insurance and taxes on the real property are held by the maker of the liens or mortgages does not sell the liens or mortgages in the secondary market other than to affiliated or subsidiary persons;
10. Any agricultural loan organization which is subject to licensing, supervision, or auditing of the United States Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, Farmers Home Administration, Farm Credit Administration, or the United States Department of Agriculture;
11. Any loan broker who does not receive a fee or other consideration other than from the lender after financing is actually obtained, if the lender is registered or exempted from registration pursuant to the provisions of this subchapter;
  - b. 1. Any person doing business in the state under the exemption set forth in subdivision (a)(4) of this section shall file proof of the exemption in such form as the commissioner shall prescribe, together with a filing fee of one hundred dollars (\$100.00).
  2. The filing fee for each annual audited financial statement which is filed pursuant to subdivision(a) (4) of this section shall be fifty dollars (\$50.00).

### History:

The following Acts established the following fees since passage of the first Blue Sky Law, Act 214 of 1913, which provided for the regulation and supervision of investment companies.

#### Act 214 of 1913 - Investment Companies

- |   |        |
|---|--------|
| 1. Filing fee -   | \$5.00 |
| 2. Agent registration fee -   | \$2.00 |
| 3. Fee for statement of financial condition of investment companies | \$2.50 |
| 4. Examination fee  | \$5.00 |

#### Act 354 of 1927 - "The Arkansas Securities Act"

1. Filing fee of 1/10 of 1% of the securities offered for sale - \$150 maximum, \$25 minimum
2. Examination fee of \$10/day plus expenses
3. Dealers inspection fee - \$50
4. Dealers renewal fee - \$25



5. Agents registration fee - \$2
6. Actual cost of furnishing copies of information regarding any investment company
7. Certificate of Authentication - 50¢

Act 109 of 1931 amended Act 354 of 1927 and established the following fees:

1. Agents permits - \$10
2. Dealers or brokers fees - \$250
3. Dealers or brokers renewal fee - \$250

Act 264 of 1933 amended Act 354 of 1927 and Act 109 of 1931 and established the following fees:

1. Agents permits - \$5
2. Dealers fees reduced to \$100 annually

Act 397 of 1947 was an Act to better regulate the sale of securities in Arkansas by rewriting "The Arkansas Securities Act" and imposed the following fees:

1. Filing fee of 1/20 of 1% of the amount of securities to be offered for sale with a maximum fee of \$250 and a minimum of \$25
2. Filing fees for registration of securities by notification if securities are listed on a responsible stock exchange or are a resale of securities - \$200
3. Filing fee for registration of securities by qualification of 1/10 of 1% with a maximum of \$250 and a minimum of \$25
4. Renewal of a registration or qualification - filing fee of \$10, except for securities involving a continuous offering, which shall require an annual renewal fee of \$100
5. Examination fee of any issuer or dealer - \$15/day plus expenses
6. Dealers registration fee - \$100
7. Examination of industrial banks - \$15/day plus expenses
8. Information supplied by Commissioner - cost of preparing such information and 50¢ for each certificate of authentication
9. Fee for filing a semi-annual statement of condition of each issuer - \$2.50
10. Agents fee - \$5
11. Fee for permit when issuer deemed insolvent - \$100.

Act 254 of 1959 repealed Act 397 of 1947 and imposed the following fees:

1. Broker-dealer initial registration fee - \$250 and renewal fee - \$100
2. Agents initial registration fee - \$25 and renewal fee - \$10
3. Investment adviser initial registration fee - \$150 and renewal fee - \$75
4. Fee for filing a registration statement - 1/20 of 1% of the offering with a maximum of \$1,000 and a minimum of \$25.

Act 248 of 1961 amended Act 254 of 1959 and imposed the following fees:

1. Loan broker license or mortgage loan company license - \$100 annually
2. Examination of records - \$25/day plus expenses
3. Examination fee for agents - \$5
4. Examination fee for broker-dealer - \$10
5. Filing fee for reports - \$5 quarterly
6. Filing fee for proof of exemption - \$10.

Act 47 of 1973 amended Act 254 of 1959 and changed the following fee:

Fee for filing a registration statement - 1/10 of 1% of the offering with a maximum fee of \$750 and a minimum of \$100.

Act 844 of 1975 again amended Act 254 of 1959 and increased the following fees:

1. Initial registration fees for a loan broker license or a mortgage loan company license - \$250, and renewal registration fee - \$150
2. Broker-dealer who is registered with the Securities and Exchange Commission and who is also a member of the National Association of Securities Dealers - \$300 for initial registration and \$150 for renewal registration; and in the case of a broker-dealer who is not registered with the SEC and who is also not a member of the NASD - \$500 for initial registration and \$300 for renewal registration.
3. Agent - \$50 for initial registration and \$25 for renewal registration.
4. Investment adviser who is registered with the SEC - \$300 for initial registration and \$150 for renewal registration; and in the case of an investment adviser who is not registered with the SEC - \$500 for initial registration and \$300 for renewal registration.
5. Fee for examination of the books and records of each company, issuer, broker-dealer, mortgage loan company or investment adviser - \$100/day plus expenses.
6. Examination fees - Agent - \$15, broker-dealer and investment adviser - \$25.
7. Filing fee for proof of exemption - \$100 minimum or \$500 maximum.

### **Credit Unions**

Act 161 of 1931 authorized the organization of Credit Unions under the Blue Sky Division of the Railroad Commission but did not provide any fees, permits or taxes.

Act 132 of 1971 authorized the following fees as determined by the State Credit Union Supervisor:

1. Annual supervision fees
2. Annual examination fees
3. Examination fees for credit unions in liquidation
4. Amendment to articles of incorporation bylaws.

### **Building and Loan Associations**

Act 128 of 1929 provided for the supervision of Building and Loan Associations under the Building and Loan Division of the State Bank Department and

Annual fee of 1/50 of 1% of the gross amount of the assets with a minimum fee of \$25 and a maximum of \$400

Initial fee of \$250

Fee for an increase of capital stock - 1/5 of 1% of the authorized increase with a minimum fee of \$25 and a maximum fee of \$100

Fee for amending bylaws - \$10

Annual agents license - \$2

Examination fee - \$15/day plus expenses for each examiner

Certificate of authority for a foreign association to do business in this State - \$250 annually.

### **Savings and Loan Associations**

Act 277 of 1963 was an Act to regulate Savings and Loan Associations, and it repealed the provisions of Act 128 of 1929 imposing fees on Building and Loan Associations and imposed the following fees on both types of savings institutions:

1. For filing an application for a charter:
  - a. for an Association in a city of less than 10,000 population - \$250
  - b. for an Association in a city of more than 10,000 population and less than 50,000 - \$500
  - c. for an Association in a city of more than 50,000 population - \$1,000.
2. Filing and approving an amendment to bylaws or articles of incorporation - \$25.
3. An annual fee, payable at the time the annual report of the Association is filed, equal to:
  - a. \$250 for each million dollars of assets, or fraction thereof, up to \$2 million;
  - b. \$100 for each million dollars of assets, or fraction thereof, over \$2 million and less than \$5 million;
  - c. \$50 for each million dollars of assets, or fraction thereof, over \$5 million.
4. For each extraordinary examination ordered by the Board, \$25 for each day the Supervisor or his representative shall be engaged in such examination, plus the actual hotel and traveling expense of such person; provided, the total per diem fees payable by an Association for such examination shall not exceed \$400 in any one year.
5. For filing a petition for conversion and verified minutes evidencing a conversion or plan of merger or consolidation, a fee of \$250.
6. For filing a certificate of dissolution, a fee of \$100.
7. For filing a copy of a charter of a federal savings and loan association - \$50.

8. The Supervisor is authorized, at his discretion, to charge a fee not to exceed \$20 upon each application for his approval or the approval of the Board.
9. For each certificate of the Supervisor authenticating any document or other instrument, a fee of \$2.50 plus \$2 for each page of such document or instrument.
10. For issuing a broker's license or for the annual renewal of a broker's license, a fee of \$500.

Act 531 of 1975 amended Act 227 of 1963 and made the following changes in savings and loan fees:

1. For filing an application for charter, \$1,500.
2. For filing a protest to an application for charter, \$1,000 from each protestant.
3. For filing a petition for rehearing, \$750.
4. An annual fee, payable at the time of the annual report of the association, as follows:
  - a. \$250 for each million dollars of assets, or fraction thereof, up to \$2 million.
  - b. \$100 on each million dollars of assets, or fraction thereof, over \$2 million and less than \$5 million.
  - c. \$50 on each \$1 million of assets, or fraction thereof, over \$5 million.
5. For each extraordinary examination ordered by the Board, a fee of \$100/day for each examiner for each and every day said examiner is absent from the office of the Supervisor for the purpose of making such examination, and in addition thereto shall pay the actual hotel and traveling expenses of such authorized examiner from Little Rock and return.
6. For a request for a special meeting of the board, \$1,500.
7. For each examination of an association by an authorized examiner from the office of the Supervisor, \$50/day for each examiner for each and every day said examiner is absent from the office of the Supervisor to make such examination, and also shall pay the actual hotel and traveling expenses of such authorized examiner from Little Rock and return.
8. For filing an application for a branch office or other service facility, \$250.
9. For filing a protest to an application for a branch office or other service facility, \$500 from each protestant.
10. Upon filing of one or more protests, \$250 from the applicant.
11. For filing a petition for rehearing, \$750.

Act 124 of 1965 - Sale of Checks provided the following fees:

1. Initial investigation fee - \$100
2. Annual license fee - \$100
3. Annual fee for each location - \$5
4. Semi-annual report - \$10
5. Examination fee - \$50/day plus expenses

Act 875 of 1975 amended Act 124 of 1965 and increased the annual license fee to \$250.

Act 806 of 1977 - Mortgage Loan Companies Provided the following fees:

1. Initial registration fee - \$250
2. Annual renewal fee - \$150
3. Examination fee - \$100/day plus expenses

Act 447 of 1987 increased various fees collected by the Securities Department from the sellers of checks and money orders.

Act 449 of 1987 increased various renewal fees for brokers, dealers and agents.

Act 659 and Act 850 of 1993 create the Security Department Fund. The Acts also increase certain security registration fees which provide revenue for the fund.

Act 173 of 1997 made various changes to the Securities Department.

Act 554 of 2003 creates the Fair Mortgage Lending Act and provides annual licensing standards for mortgage brokers, bankers, servers and loan officers. The following license fees have been imposed:

1. Initial licensure Mortgage Bankers, Mortgage Servers, Mortgage Brokers - \$750
2. Loan Officers - \$50
3. Surety Bonds:
  - a. Mortgage Banker, Mortgage Server - \$100,000
  - b. Mortgage Broker - \$50,000

Act 759 of 2003 places a limit of one million dollars (\$1,000,000) during any one fiscal year that may be deposited into the Securities Department Fund. All revenues in excess of the limit shall be deposited as general revenues. This fund limitation, unless extended, shall expire July 1, 2011.

Act 438 of 2013 limits the amount that can be deposited into the Securities Department Fund to \$4,000,000 each fiscal year.

Act 460 of 2013 clarifies the rights and duties of parties to securities transactions and amends funding for Securities Department Fund.

**Revenues Generated:**

General Revenues

Fiscal Year		
Ending June 30	Amount	%Change
2003	\$ 7,269,686	(4.15)
2004	\$ 14,456,029	98.85
2005	\$ 11,194,449	(22.56)
2006	\$ 12,348,428	10.31
2007	\$ 13,444,591	8.88
2008	\$ 13,887,812	3.30
2009	\$ 12,979,746	(6.54)
2010	\$ 14,066,000	8.37
2011	\$ 14,217,464	1.08
2012	\$ 13,460,558	(5.32)
2013	\$ 14,431,194	7.21
2014	\$ 12,383,107	(14.19)

**Revenues Generated:**

Special Revenues

Fiscal Year		
Ending June 30	Amount	%Change
2003	\$ 3,218,907	(2.08)
2004	\$ 278,190	(91.36)
2005	\$ 1,000,000	259.50
2006	\$ 1,000,000	-0-
2007	\$ 1,000,000	-0-
2008	\$ 1,000,000	-0-
2009	\$ 1,000,000	-0-
2010	\$ 1,000,000	-0-
2011	\$ 897,467	(10.25)
2012	\$ 1,701,785	89.62
2013	\$ 1,997,000	17.34
2014	\$ 3,951,799	97.89

**Distribution of Tax:**

General Revenues and Special Revenues

**Administered by:**

Securities Department

**Cite:**

See Rate and Base

## 8.27. STATE HIGHWAY AND TRANSPORTATION DEPARTMENT

The State Highway and Transportation Department collects from all firms, persons and corporations engaged in the business of common carrier of freight and passengers in Arkansas and deposits the moneys in the State Treasury.

### Rate and Base:

#### Motor Carriers

Fees are levied in an amount equal to the total cost of the agency in regard to the regulation of the intrastate carriers, (excluding motor carriers) that the gross revenues in Arkansas of each of the carriers bears to the total gross revenues in Arkansas of all of said carriers. The fee collected from each of the carriers cannot exceed two-fifths of one percent (.4%) of the gross revenues in Arkansas of each carrier. Intrastate motor carriers pay an annual regulatory fee of \$5 for each bus, truck or truck-tractor used by such carrier in line-haul operations and a \$50 fee for a certificate of public convenience and necessity. The agency is authorized to grant temporary authority, not exceeding 90 days, for a fee of \$25. A contract carrier pays a fee of \$50 with the application for a permit to operate in Arkansas.

The application for the transfer of a certificate or permit is accompanied by a fee of \$50.

One-half of the amount of forfeited bonds or fines assessed by any court for violations of the Arkansas Motor Carrier Act is deposited by the courts in the State Treasury as General Revenue.

#### Rail Carriers

Each rail carrier pays a fee in an amount which is equal to that proportion of the total rail carrier cost that the gross revenues in Arkansas of each of the rail carriers bear to the total gross revenues in Arkansas of all rail carriers. The fee collected annually from each of said rail carriers cannot exceed, in any year, an amount exceeding two-fifths of one percent (0.4%) of the gross revenues in Arkansas of each respective rail carrier.

### Exemptions (Intrastate Only):

1. Motor vehicles employed solely in transporting school children and teachers to or from school and motor vehicles used in carrying set-up houses, ordinary livestock, unprocessed fish, including shellfish, unprocessed agricultural commodities,
2. Baled cotton, cottonseed, cotton-seed meal, cottonseed hulls, cottonseed cake, rice hulls, rice bran, rice mill feed, rice mill screenings, soybean meal, commercial fertilizer, not including the component parts used in the manufacture thereof, except for hire carriers of such exempt commodities are subject to safety of operation and equipment standards provisions prescribed or hereafter prescribed by the Commission and must file with the Commission evidence of security for the protection of the public in the same amount and to the same extent as nonexempt carriers.
3. Taxicabs or other motor vehicles performing a bona fide taxicab service. Bona fide taxicab service means service rendered by motor driven vehicles having a seating capacity

not in excess of six passengers and used for the transportation of persons for hire which are owned and operated by a person, firm or corporation authorized by the governing authorities of municipalities to conduct a taxicab business over or upon the streets and public ways.

4. Any private carrier of property, except such carriers are subject to the provisions prescribed with respect to safety of operation and equipment standards (and motor vehicles employed in the hauling of gravel, rock, dirt, bituminous mix materials, rip-rap, quarried stone, crushed stone and similar materials) and wreckers and wrecker services.
5. Trolley buses operated by electric power or other buses furnishing local passenger transportation, similar to street railway service, unless and to the extent that the Commission finds that such application is to carry out the policy of safety of operation or standards of equipment.
6. The transportation of passengers or property wholly within a municipality or between contiguous municipalities or within a commercial zone, adjacent to and commercially a part of any such municipality or municipalities, except when such transportation is under a common control, management or arrangement for a continuous carriage, or shipment to or from a point without such municipality, municipalities, or zone, and provided that the motor carrier engaged in such transportation of passengers over regular or irregular routes is also lawfully engaged in the intrastate transportation of passengers over the entire length of such route or routes in accordance with the laws of this State. The rights, duties and privileges of any motor carrier previously granted a certificate of convenience and necessity by the Arkansas Transportation Commission to operate in, through, to or from municipalities, or in through, to, or from a commercial zone or territory contiguous to a municipality, shall not be impaired or abridged by reason of the subsequent annexation of such municipality or territory by another municipality, and any such motor carrier remains subject to the exclusive jurisdiction and control of the Arkansas Transportation Commission.
7. The occasional or reciprocal transportation of passengers or property for compensation by any person not engaged in transportation by motor vehicle as a regular occupation or business, except when such transportation is sold, or offered for sale, or provided, or procured, or furnished or arranged for, by any person who holds himself or itself out as one who sells, or offers for sale, transportation wholly or partially subject to said Act, or negotiates for, or holds himself or itself out by solicitation, advertisements, or otherwise, as one who sells, provides, furnishes, contracts, or arranges for such transportation, or by any person, or his or its agent, servant or employee who regularly engages in the exempt transportation of passengers for-hire.
8. The following vehicles transporting the following products are exempt but subject to the safety and equipment standards of the Arkansas State Highway Commission:
  - a. Transportation of live poultry, unmanufactured products of poultry and related commodities, including:

- 1) Additives, such as injected butter, gravy, seasoning, etc. in an amount not in excess of 5% by weight, sold in or along with uncooked poultry;
- 2) Advertising matter, in reasonable amounts, transported along with poultry and poultry products;
- 3) Blood of poultry from which corpuscles have been removed by centrifugal force;
- 4) Carcasses, raw in marble-size chunks;
- 5) Cut up, raw;
- 6) Cut up, precooked or cooked;
- 7) Breaded and/or battered;
- 8) Cut up, precooked or cooked, marinated, breaded and/or battered;
- 9) De-boned, cooked or uncooked;
- 10) De-boned, cooked or uncooked, in rolls or diced;
- 11) Dinners, cooked;
- 12) Dressed;
- 13) Eggs, albumen, liquid;
- 14) Eggs, albumen, liquid, pasteurized;
- 15) Eggs, dried;
- 16) Eggs, frozen;
- 17) Eggs, liquid, whole or separated;
- 18) Eggs, oiled;
- 19) Eggs, omelet mix consisting of fresh broken eggs, with minute amount of salt and pepper and seasoning, packaged;
- 20) Eggs, powder, dried;
- 21) Eggs, shelled;
- 22) Eggs, whites;
- 23) Eggs, whole, with added yolks, dried;
- 24) Eggs, whole with added yolks
- 25) Eggs, whole standardized by subtraction of whites;
- 26) Eggs, yolks, dried;
- 27) Eggs, yolks, liquid;
- 28) Eggs, yolks;
- 29) Fat, as removed from poultry, not cooked;
- 30) Feathers;
- 31) Feathers, ground (feather meal);
- 32) Feathers, ground, combined with dehydrated poultry offal;
- 33) Offal, including blood (natural by-products of the killing and processing of poultry for market;
- 34) Picked;
- 35) Rolled in batter but uncooked;
- 36) Rolls, containing sectioned and deboned poultry, cooked;
- 37) Sticks, cooked;
- 38) Stuffed;
- 39) Stuffing, packed with but not in bird.

- b. The transportation of livestock and poultry feed, including all materials or supplementary substances necessary or useful to sustaining the life or promoting the growth of livestock or poultry, if such products are transported to a site of agricultural production or to a business enterprise engaged in the sale to agricultural producers of goods used in agricultural production.
- c. The transportation of sawdust, wood shavings, and woodchips, diesel, liquefied petroleum gas, kerosene, aviation gasoline and jet fuel.

## History:

### Fees Levied on Motor Carriers

Act 571 of 1919 created the Corporation Commission with jurisdiction over “common carriers, railroads, street railroads, express companies, all car companies, freight lines, toll bridges, ferries and steamboats and vehicles of all kinds engaged in the transportation of freight and passengers” and various other public utilities. Act 572 of 1919 did not specifically levy a fee or tax on motor carriers, but did authorize certain fees for papers, records or official documents of the Commission and declared that all public service corporations subject to regulation by the commission shall pay a special license fee based upon the value of its property.

Act 124 of 1921 abolished the Corporation Commission and created the Railroad Commission with the same jurisdiction and repealed the Section of Act 571 which levied the special license fee.

Act 99 of 1927, “An Act to Provide for the Regulation, Supervision and Control of Motor Vehicles Used in the Transportation of Persons or Property for Compensation in the state of Arkansas,” levied a tax of two percent of the gross amount received by carriers from all fares and charges.

Act 62 of 1929 amended Act 99 of 1927 and required a \$25 permit fee to be licensed as a common carrier and raised the privilege tax to three percent of all fares and charges.

Act 367 of 1941 established the following fees:

1. Certificate of public convenience and necessity - \$25
2. Contract carrier permit - \$25

Act 262 of 1949 levied a fee on each motor carrier based on the proportion of the total cost of regulating motor carriers that the gross revenues of each carrier bears to the gross revenues of all motor carriers provided that the fee levied on each carrier shall not exceed 2/5 of 1% of the gross revenues of each carrier.

Act 397 of 1955 increased the fee for application for a certificate of public convenience and necessity to \$50 and the permits for contract carriers to \$50 and added a fee of \$50 for an application for a transfer of a certificate or permit. Act 397 also levied a fee of \$6 for each truck and \$10 for each carrier of passengers. Penalties for violating the provisions of Act 397 were \$100 to \$500 for credit to the Commission fund and one-half of court fines were remitted to the State Treasurer for credit to the Commission’s fund. The fees levied by Act 262 of 1949 were repealed by Act 397. Act 397 also provided for a fee of \$25 for temporary authority for a period not exceeding 90 days.

Act 343 of 1957 reduced the fee for each bus or truck to \$5 annually.

Act 468 of 1977 required the \$25 fee for a carrier to operate in interstate commerce who had not previously filed an application with the commission and a fee of \$10 if the carrier had previously filed an application.

The fees, permits and fines in effect presently were levied by the following Acts:

1. Annual fee - Act 262 of 1949
2. Annual fee for each bus and truck - Act 343 of 1957
3. Certificate of public convenience and necessity - Act 397 of 1955
4. Permits for contract carriers - Act 191 of 1961
5. Temporary permit - Act 397 of 1955
6. Transfer of a Certificate - Act 397 of 1955
7. Forfeited bonds and fines - Act 397 of 1955
8. Interstate permit - Act 468 of 1977
9. Rail carrier fees - Act 262 of 1949

Act 572 of 1987 combined the Highway Safety Program and the Transportation Commission into the Transportation Safety Agency.

Act 153 of the 1st Extraordinary Session of 1989 abolished the Transportation Regulatory Board and the Transportation Safety Agency and transferred all powers, functions and duties to the Arkansas Highway Commission.

#### Motor Carrier Fee

Act 1027 of 1993 provides for an annual fee of \$5 for the registration of insurance from each common or contract carrier operating in the state.

Act 1092 of 2013 allows the issue of a special permit for additional trailer length, increasing to 57 feet, for one single trip or a one year period, upon application and payment of permit fee.

Act 1176 of 2013 creates the Commercial Truck Safety and Education Fund and sets an additional 15% fee for full size tractor trailer and vehicles registered with the International Registration Plan.

Act 1362 of 2013 allows the State Highway and Transportation Department and the State Highway Commission to establish fees for applications, permits, licenses, and other administrative purposes.

#### **Revenues Generated:**

##### Motor Carrier Fee

Fiscal Year	Amount	% Change
Ending June 30		
2003	\$ 392,262	17.52
2004	\$ 433,324	10.47
2005	\$ 366,134	(15.51)
2006	\$ 526,982	43.93
2007	\$ 425,976	(19.17)
2008	\$ 323,989	(23.94)
2009	\$ 301,811	(6.85)
2010	\$ 257,350	(14.73)
2011	\$ 342,891	33.24
2012	\$ 351,380	2.48
2013	\$ 287,753	(18.11)
2014	\$ 280,193	(2.63)

#### **Cite:**

Arkansas Code (1987) 27-14-601

**Revenues Generated:**

(Registration of Insurance)

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 1,786,475	(1.25)
2004	\$ 1,746,060	(2.26)
2005	\$ 1,807,155	3.50
2006	\$ 1,858,316	2.83
2007	\$ 1,673	(99.91)
2008	\$ 2,849,521	1,702.24
2009	\$ 2,087,454	(26.74)
2010	\$ 1,085,322	(48.01)
2011	\$ 2,714,443	150.10
2012	\$ 1,773,091	(34.68)
2013	\$ 1,840,353	3.79
2014	\$ 1,865,866	1.39

**Distribution of Tax:**

General Revenue Motor Carrier Fee and 98.5% of Registration of Insurance fee; Special Revenues 1.5% of Insurance Fee

**Administered by:**

State Highway and Transportation Department

**Cite:**

Arkansas Code (1987) 23-13-201 et seq.

**Cite:**

Arkansas Code (1987) 17-99-203

**8.28. VETERINARY EXAMINERS BOARD FEES**

Before a veterinarian can practice veterinary medicine in this State, he must secure a license from the Veterinary Medical Examining Board. The Board collects fees from the veterinarians and deposits the money in the State Treasury.

**Rate and Base:**

The Board establishes annually a schedule of license and permit fees based on the Board’s financial requirements for the ensuing year.

**Exemptions:**

None

**History:**

Act 88 of 1915 required that all veterinarians be licensed and established a fee of \$10 for registration and a \$10 examination fee. Act 209 of 1951 added a \$1 fee for renewal of registration. Act 171 of 1963 imposed a \$25 examination fee, a \$5 annual renewal fee and a \$25 license fee. Act 217 of 1971 amended Act 171 and established the following fees:

- 1. Examination fee ..... \$ 50
- 2. Annual renewal fee .....\$ 20
- 3. License by reciprocity fee .....\$100
- 4. Temporary permit .....\$ 25
- 5. Fee for certifying grades .....\$ 5

Act 650 of 1975 repealed all laws in conflict and empowered the Board to set all fees.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 95,785	(3.15)
2004	\$ 99,008	3.36
2005	\$ 99,065	0.06
2006	\$124,820	26.00
2007	\$103,003	(17.48)
2008	\$106,474	3.37
2009	\$121,729	14.33
2010	\$105,710	(13.16)
2011	\$107,525	1.72
2012	\$127,409	18.49
2013	\$127,826	0.33
2014	\$131,255	2.68

**Distribution of Tax:**

Special Revenues for credit to the Veterinary Examiners Board Fund

**Administered by:**

Veterinary Medical Examiners Board



# CHAPTER 9 - Natural Resources

## Taxes and Fees

### 9.1. BRINE SEVERANCE TAX - OIL MUSEUM

The tax levied on brine produced in Arkansas is collected by the Commissioner of Revenues and is deposited in the State Treasury.

#### Rate and Base:

20¢ per 1,000 barrels

#### Exemptions:

None

#### History:

The tax levied on brine produced in Arkansas for the purpose of bromine extraction was imposed by Act 759 of 1979.

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 63,275	7.53
2004	\$ 59,871	(5.38)
2005	\$ 64,163	7.17
2006	\$ 58,999	(8.05)
2007	\$ 56,935	(3.50)
2008	\$ 54,807	(3.74)
2009	\$ 40,335	(26.41)
2010	\$ 47,924	18.81
2011	\$ 55,874	16.59
2012	\$ 51,651	(7.56)
2013	\$ 50,433	(2.36)
2014	\$ 54,832	8.72

#### Distribution of Tax:

Special Revenues for credit to the Oil Museum Fund

#### Administered by:

Department of Finance and Administration - Revenue Services Division

#### Cite:

Arkansas Code (1987) 26-58-301

## 9.2. GAME AND FISH LICENSES, PERMITS AND FEES

The Game and Fish Commission is authorized to provide for the issuing of licenses required by statute or regulation through public officials, individuals or concerns and to allow a reasonable and uniform fee to be deducted from the price of the license for such service. The funds received from the sale of all licenses (less the uniform fee) are transmitted by the sellers to the Commission, which in turn deposits the funds in the State Treasury.

### Rate and Base:

#### Sport Fishing

1. Resident Fisheries Conservation License .....	10.50
2. Resident 3-Day Trip License .....	6.50
3. Resident Disabled Fishing 3-Yr License .....	10.50
4. Resident Disabled Combination 3-Yr License .....	35.50
5. Non-Resident Annual Fishing .....	40.00
6. Non-Resident 14-Day Trip Fishing License.....	22.00
7. Non-Resident 7-day Trip Fishing .....	17.00
8. Non-Resident 3-day Trip Fishing License.....	11.00
9. Arkansas Trout Permit.....	5.00
10. Non-Resident Trout Permit .....	12.00
11. White River Border Lakes License.....	10.00
12. Guide License/Fishing.....	25.00
13. Non-Resident Guide License/Fishing.....	150.00

#### Special and Commercial Fishing

1. Hoop Nets (with or w/o leads), Turtle Nets .....	4.00
2. Slat Traps & Fiddler Nets .....	12.50
3. Commercial Trotlines (snaglines, throwlines, limb lines, set hooks) per 100 ft. ....	5.00
4. Box Traps Turtle Trap .....	2.00
5. Commercial Tackle (Seine, Trammel & Gill Nets) 100 yds. or fractional part thereof per tag.....	15.00
6. Commercial Fisherman's Permit & Sport Fishing License.....	25.00
7. Commercial Fisherman's Helper Permit .....	25.00
8. Junior/Senior Commercial Fishing Permit.....	14.50
9. Alligator Farmer/Dealer Permit .....	200.00
10. Alligator Tags .....	4.00
11. Alligator Snapping Turtle Breeder/Dealer Permit .	100.00
12. Aquatic Turtle Harvest Permit .....	100.00
13. Aquatic Turtle Harvest Helper Permit .....	50.00
14. Junior Aquatic Turtle Harvest Permit .....	25.00
15. Aquatic Turtle Dealer permit.....	250.00
16. Non-Resident Aquatic Turtle Dealer Permit.....	500.00
17. Aquatic Turtle Farmer Permit .....	100.00
18. Resident Shell Taker and Seller.....	100.00
19. Shell Taker Helper Permit .....	100.00
20. Shell Buyer .....	1000.00
21. Non-Resident Shell Buyer .....	2000.00
22. Shell Buyer's Agent Permit.....	100.00
23. Resident Fish Dealer.....	10.00
24. Non-Resident Fish Dealer.....	250.00
25. Minnow Dealer Tackle (Minnow, Seine, Traps or Lifts) .....	5.00
26. Fish Farmer (Aquaculturist) Permit .....	25.00

27. Bull Frog Permit (Must have valid Fish Farmer permit) .....	25.00
28. Resident Roe Taker/Seller Permit.....	500.00
29. Resident Roe Taker/Helper Permit .....	100.00
30. Resident Roe Buyer/Exporter Permit .....	1000.00
31. Non-Resident Roe Buyer Permit .....	2000.00
32. Commercial Boat Dock Permit.....	25.00
33. Commercial Boat Dock (User Fee) .....	150.00
34. Private Boat House (Single) .....	5.00
35. Private Boat House (Double or Joint).....	10.00
36. Private Boat Dock (Single).....	5.00
37. Private Boat Dock (Double or Joint) .....	10.00
38. Put & Take Pay Lake .....	150.00

#### Hunting License and Permits

1. Resident Wildlife Conservation License .....	10.50
2. Resident Sportsman's Permit .....	25.00
3. Resident Disabled Hunting 3-Yr License .....	25.00
4. Resident Disabled Combination 3-Yr License .....	35.50
5. Non-Resident Annual All Game License .....	300.00
6. Non-Resident 5-Day All Game License .....	150.00
7. Non-Resident 3-Day All Game License .....	100.00
8. Non-Resident Annual Small Game License .....	80.00
9. Non-Resident 5-Day Small Game License .....	55.00
10. Non-Resident Fur Takers.....	125.00
11. Private Lands Elk Permit .....	35.00
12. Arkansas Resident Waterfowl Stamp .....	7.00
13. Arkansas Non-Resident Waterfowl Stamp .....	20.00
14. AG&F Leased Lands Permit (Hunting, Trapping and Camping) .....	
a. Casey Jones WMA.....	20.00
b. Big Timber WMA.....	20.00
c. Cherokee WMA .....	20.00
d. Gum Flats WMA .....	20.00
e. Provo WMA.....	20.00
f. Lafayette County WMA .....	20.00
15. Falconry Permit Apprentice.....	25.00
16. Falconry Permit General.....	25.00
17. Falconry Permit Master .....	25.00
18. Resident Guide License/Hunting .....	25.00
19. Non-Resident Guide License/Hunting .....	150.00
20. Resident Special Guide License .....	150.00
21. Non-Resident WMA Waterfowl Hunting Permit (5-day trip for each WMA).....	10.00
22. Non-Resident WMA Seasonal Waterfowl Hunting Permit (for each WMA).....	100.00

#### Hunting Commercialization

1. Resident Fur Dealer .....	50.00
2. Non-Resident Fur Dealer .....	200.00
3. Special Commercial Quail Permit .....	25.00
4. Game Bird Shooting Resort Permit .....	150.00
5. Commercial Wildlife Hunting Resort Permit .....	500.00
6. Wildlife Breeder/Dealer Permit .....	50.00
7. Wildlife Importation Permit .....	25.00

#### Lifetime License

1. Resident 65 Plus Lifetime Fishing License .....	10.50
2. Resident 65 Plus Lifetime Sportsman's Hunting License and Permit .....	25.00
3. Resident 65 Plus Lifetime Combination License.....	35.50

4. Resident 65 Plus Lifetime Waterfowl Permit ..... 7.00
5. Resident 65 Plus Lifetime Trout Permit ..... 5.00
6. Non-Expiring Lifetime Resident Hunting & Fishing Sportsman's Permit ..... 1000.00

**Exemptions:**

Resident of this state who is under 16 years of age. Resident of this state who is on active duty in the armed services of the United States.

**History:**

Since the adoption of Amendment No. 35, which became effective July 1, 1945, the legislature has only had the authority to raise resident hunting and fishing licenses above the \$1.50 that was provided by the amendment. Therefore, this history will only be concerned with the resident hunting and fishing license, for all other Game & Fish licenses and permits are set by the Commission.

Act 124 of 1915 imposed an annual license fee of \$1 for every person before hunting, chasing or killing any wild deer; an annual license fee of \$1 for fly fishing or bait casting, and an annual license fee of \$25 for catching fish for market purposes, using a seine, net or other device other than a hook and line.

Act 133 of 1917 created the State Game and Fish Commission and imposed the following fees:

1. Resident license to hunt deer, bear or turkey ..... \$ 1.10
2. Resident license to fish with artificial bait..... 1.10
3. Non-Resident to hunt ..... 15.00
4. Non-Resident to fish ..... 5.00
5. License to fish for market purposes
  - a. For each fisherman using hoop nets ..... 25.00
  - b. For each fisherman using hook and line, including trot line and set hooks ..... 10.00
  - c. For each helper of a market fisherman..... 5.00

Act 276 of 1919 amended Act 133 of 1917 and authorized the following changes in licenses:

1. By adding a non-resident trip license to fish 15 days for ..... 10.00
2. License for fishing for market purposes:
  - a. For each fisherman using seines, nets, hoop nets, trot lines and set hooks ..... 50.00
  - b. For each fisherman using hoop nets only ..... 25.00
  - c. For each fisherman using hook and line and set hooks ..... 10.00
  - d. For each helper of a market fisherman..... 5.00

Act 113 of 1933 authorized the following fees:

1. Annual license fee on each hoop, barrel or pond net . 1.00
2. Annual license fee on each seine, or trammel or gill net ..... 12.50
3. If the seine or net exceeds 100 yards in length, the license fee was per yard..... 25.00
4. During the years 1933 and 1934, the license for fishing for commercial purposes with trot-line, set hook or hook and line was ..... 2.50

Act 316 of 1937 established the following fees:

1. Annual resident hunting license fee ..... 1.50
2. Annual resident license to fish with artificial bait ..... 1.50

Act 146 of 1943 was “An Act to codify the Existing Game and Fish Laws That Apply to the State as a Whole” and established the following fees:

1. Resident Hunting License ..... 1.50
2. Non-Resident Hunting License for hunting game birds, game or fur-bearing animals except deer, bear, elk or turkey ..... 15.00
3. Non-Resident Hunting License for hunting any species of game bird, game or furbearing animals including deer, bear, elk or turkey ..... 25.00
4. Non-Resident who hunts or takes furbearing animals for commercial purposes shall pay an annual non-resident furbearing fur-taking license ... 50.00
5. Guide’s License - Annual fee for guiding hunting and fishing parties..... 10.00
6. Hunting or Fishing Club Licenses
7. Fees not less than \$10 nor more than ..... \$50.00
8. Resident Fishing License ..... 1.50
9. Non-Resident Fishing License:
  - a. Ten day trip license ..... 2.00
  - b. Annual license..... 5.00
10. Fishing Guide Annual License ..... 5.00
11. Minnow Dealers License ..... 5.00
12. Commercial Fishing Licenses for seines, trammels and gill nets:
  - a. For each seine, trammel or gill net under 100 yards in length..... 12.50
  - b. For seines or nets that exceed 100 yards in length, for each additional 100 yards or fractional part..... 12.50
13. Annual license on hoop, land or pond net ..... 1.00
14. Annual license for fishing for commercial purposes with trot lines, snag lines, set hooks or hooks and lines, for each line up to 1,000 feet in length..... 2.50
  - a. For lines longer than 1,000 feet, for the first 1,000 feet and..... 2.50
  - b. each additional 1,000 feet ..... 1.25
15. Annual license for fishing for commercial purposes with gigs or spears ..... 2.50

Constitutional amendment No. 35, which became effective July 1, 1945 provided that:

“Resident hunting and fishing license each \$1.50 annually, and shall not exceed this amount unless a higher license fee is authorized by an act of Legislature.”

Act 190 of 1957 increased the annual resident hunting and fishing licenses to \$2.50 each.

Act 182 of 1965 increased the annual resident hunting and fishing licenses to \$3.50 each.

Act 1006 of 1975 amended Act 182 of 1965 and increased the annual resident hunting and fishing licenses to \$5 each. Act 1006 also provided that a combined hunting and fishing license could be obtained upon payment of a fee of \$9.

Act 430 of 1977 again amended Act 182 of 1965, as amended, and increase the annual resident hunting and fishing licenses to \$7.50. Act 430 also provided that a person over 65 years of age shall be issued a permanent resident hunting or fishing license upon a payment of \$1.50 for each license. It also provided that a veteran with a 100% service-connected disability shall be issued a permanent hunting or fishing license upon payment of a fee of \$3.50 for each license.

Act 96 of 1979 provided that a blind person could obtain a permanent fishing license for a fee of \$3.50.

Act 203 of 1979 again amended Act 182 of 1965 to add a provision that a person who has been 100% disabled for a period of five years shall be issued a permanent resident hunting or fishing license upon payment of a fee of \$1.50 for each license.

Act 392 of 1979 provided for the issuance of a three-day fishing license to a resident or non-resident for a fee of \$3.50.

Act 343 of 1983 established the fee for an annual resident hunting or fishing license for a resident who is between the ages of 16 and 65 at \$10.50, and the fee for a three-day fishing license for any resident in the state of Arkansas between the ages of 16 and 65 was established at \$5.00.

Acts 910 & 939 of 1987 fixed the resident hunting and fishing license at \$10.50 and the combination annual hunting license at \$17.75. These Acts also established the following special permit fees:

1. Archery Deer ..... \$7.25
2. Primitive Weapon ..... 7.25
3. Turkey Permit ..... 7.25
4. Bear Permit ..... 7.25
5. Elk permit and any other large game, ..... 7.25/species
6. Special hunt permits ..... 7.25

These Acts also established a \$5.00 trout stamp and a \$5.50 state duck stamp.

Act 49 of 1989 authorizes the Commission to issue a permanent hunting, fishing or hunting and fishing license for persons with permanent and total disability. Cost of such licenses shall be the same as for the resident hunting and fishing licenses.

Act 219 of 1989 sets the following maximum fees to be charged by the Commission:

1. Resident Hunting License ..... \$ 10.50
2. Archery Permit..... 10.00
3. Muzzle Loading Permit ..... 10.00
4. Turkey Permit ..... 10.00
5. Bear Permit ..... 10.00
6. Duck Stamp ..... 7.00
7. Fur Taker's Permit ..... 10.00
8. Deer Management Permit ..... 10.00
9. Resident Sportsman's Permit..... 25.00
10. Resident Hunting & Fishing Sportsman's Permit.. 35.50
11. Resident 3-Day Trip Fishing Permit (Max.) ..... 10.50
12. Resident Lifetime Sportsman's Permit ..... 1,000.00

Act 369 of 1995 increased the following resident license fees until July 1, 1997: Resident Hunting and Fishing, Resident Sportsman Hunting License, Resident 3-day Fishing Permit, and the Resident Combination Hunting and Fishing Permit.

Act 156 of 1997 provides for the implementation of Amendment 75 which levies an additional 1/8<sup>th</sup> ¢ sales and use tax. With the passage of this amendment, those fees which were increased by Act 369 of 1995 were reduced.

Act 428 of 2003 provides for the issuance of a permanent hunting and fishing license with optional permanent trout stamp and duck stamp to a state resident over sixty-five years of age for a one-time fee of \$35.50.

Act 623 of 2009 provides for the issuance of a permanent hunting or fishing license with optional permanent trout stamp and duck stamp to a totally disabled veteran for \$35.50 or a veteran of any age for \$1,000.

Act 1253 of 2013 provides for issuance of lifetime hunting licenses and fishing licenses to eligible disabled veterans, for a fee of \$1.50 for each license.

**Revenues Generated:**

Fiscal Year	Amount	%Change
Ending June 30		
2003	\$ 19,942,289	(0.64)
2004	\$ 19,438,335	(2.53)
2005	\$ 19,873,384	2.24
2006	\$ 18,857,180	(5.11)
2007	\$ 20,665,346	9.59
2008	\$ 20,227,692	(2.12)
2009	\$ 21,610,088	6.83
2010	\$ 21,318,172	(1.35)
2011	\$ 21,637,654	1.50
2012	\$ 15,618,336	(27.82)
2013	\$ 22,537,711	44.30
2014	\$ 24,230,072	7.51

**Distribution of Tax:**

Special Revenues for credit to the Game Protection Fund

**Administered by:**

Game and Fish Commission

**Cite:**

Arkansas Code (1987) 15-42-104

### **9.3. OIL AND GAS COMMISSION FEES**

The Oil and Gas Commission collects assessments against each barrel of oil produced and against each thousand cubic feet of gas produced, fees for permits to drill wells for oil or gas and fees for each application for a hearing or other proceeding before the Commission. The Commission deposits the funds in the State Treasury.

#### **Rate and Base:**

1. Application for a hearing or proceeding before the Commission - \$250, or such sum as the Commission may prescribe, but not to exceed \$500.
2. Assessments - 50 mills on each barrel of oil and 10 mills on each thousand cubic feet of gas.
3. Reasonable fees for notices and reports prepared and published by the Commission.
4. Annual payment of each saltwater well - \$100.
5. No fees required to plug a well.
6. Notice of Intention to Drill - \$300.
7. Seismic Testing Permit - \$500.
8. Assessment - .50¢ per 1000 barrels of brine.

#### **Exemptions:**

None

#### **History:**

The Oil and Gas Commission had its beginning with the creation of the position of State Gas Inspector by Act 144 of 1921, which was “An Act to Conserve Natural Gas Resources of the State of Arkansas.” It provided for the payment of a fee of \$25 a day plus actual expenses to the Gas Inspector for testing all wells producing gas. The Act provided that all penalties collected would be deposited in the County Road Fund.

Act 664 of 1923 placed the regulation of oil and gas wells under the Arkansas Railroad Commission and set a fee of \$50 for new oil and gas wells, and a fee of \$50 for plugging of any dry or abandoned well.

Act 125 of 1925 amended Act 664 of 1923 and decreased both fees that were authorized by Act 664 to \$25.

Act 234 of 1933 established a fee for a permit to drill a well at \$50 and a fee to plug a well at \$15.

Act 105 of 1939 created the Oil and Gas Commission and set the following fees:

1. Assessments - 5 mills on each barrel of oil and one-half mill on each one thousand cubic feet of gas.
2. Permit fee for each well drilled - \$50.
3. Fee to plug a well - \$15.

Act 166 of 1975 set the assessments at 10 mills on each barrel of oil and one mill on each one thousand cubic feet of gas.

Act 113 of 1979 set the permit fee to drill a well at \$50 or “such sum as the Commission may prescribe” and the fee to plug a well at \$15 or “such fee as the Commission may otherwise prescribe.”

Act 523 of 1981 set the present fees.

Act 5 of 1991 establishes a registration fee of \$250 but not more than \$500 for persons conducting field seismic operations.

Act 1188 of 2001 increases the assessment for brine produced and saved or sold for purposes of the extraction of chemical substances.

Act 1267 of 2005 specifies the powers of the Commission with regard to the abandoned and orphaned Well Plugging Fund and increases the annual payment to \$100 per injection disposal well.

Act 1262 of 2013 provides for a penalty, not to exceed \$100,000 for persons in violation of the commission’s rules and regulations for transporting and dumping or disposing of a liquid or other substance improperly or without authorization at a well or well site.

Act 1466 of 2013 authorizes the Oil and Gas Commission to charge an application fee up to \$100 for carrying or pulling a transportation tank, to charge up to \$5,000 per application to construct or operate a jurisdictional pipeline system, and charge a hearing fee of up to \$2 for each person whose address an applicant has identified in the application or request to receive a copy of the order from the hearing.

#### **Revenues Generated:**

Fiscal Year		
Ending June 30	Amount	%Change
2003	\$ 2,209,074	88.73
2004	\$ 2,117,597	(4.14)
2005	\$ 2,338,802	10.45
2006	\$ 2,609,391	11.57
2007	\$ 2,889,070	10.72
2008	\$ 4,032,557	39.58
2009	\$ 5,894,556	46.17
2010	\$ 7,944,164	34.77
2011	\$ 9,974,485	25.56
2012	\$11,222,352	12.51
2013	\$11,438,560	1.93
2014	\$10,528,275	(7.96)

#### **Distribution of Tax:**

Special Revenues for credit to the Oil and Gas Commission Fund

#### **Administered by:**

Oil and Gas Commission

#### **Cite:**

Arkansas Code (1987) 15-17-107;15-71-107;15-71-110; 15-72-205; 15-72-103; 15-71-117

## 9.4. OIL AND GAS LEASES

The Natural Resources Committee shall be composed of the Director of the Department of Finance and Administration or his designee, the Director of the Oil and Gas Commission, the State Geologist, the State Forester, the Director of the Arkansas Soil and Water Conservation Commission, the Commissioner of State Lands, the Director of the Arkansas State Game and Fish Commission, the Director of the Department of Parks and Tourism or his designee, the Director of the Arkansas Department of Pollution Control and Ecology, [Arkansas Department of Environmental Quality] and the Director of the Arkansas Natural Heritage Commission.

The chairman of the committee shall be the Commissioner of State Lands.

The committee shall establish a schedule of minimum fees and royalties, as well as the terms and conditions for various types of permits and leases. No permit or lease shall be granted for less than the minimums prescribed in the schedule.

The committee shall have the authority to change the schedule of minimum fees and royalties and the terms of permits and leases.

### Rate and Base:

The Director of the Natural Resources Committee sets the fee for a person or firm making an application or filing a competitive bid for a lease or permit. Royalties are established by the Natural Resources Committee as minimums and, if more than one person or firm is interested in the same permit or lease, the royalty is set by the highest bidder.

### Exemptions:

This Act shall not apply to the severance of natural resources removed by a state agency from its own lands in the course of improving such lands, but this Act shall apply to sales for commercial purposes.

### History:

Act 285 of 1943 authorized the Commissioner of Revenues to execute leases on lands owned by the State of Arkansas for the production of oil, gas, casing head gas and other hydrocarbons for such consideration as to him may appear for the best interest of the State of Arkansas. Prior to the enactment of Act 285, the only requirement for the severance of natural resources was the consent of the Attorney General; and this applied only to the taking of natural resources from navigable streams and lakes. This provision was included in Act 138 of 1915 and was repeated in Act 296 of 1917.

Act 212 of 1929 substituted the Commissioner of Revenues for the Attorney General for giving consent for the severance of natural resources.

Act 38 of the 1st Extraordinary Session of 1963, which authorized the issuance of bonds to build a Revenue Department Building, provided that the Revenue

Commissioner collect a \$5 fee to register each lease and deposit the fees in the Revenue Department Building fund in a bank.

Act 524 of 1975 vested in the Department of Commerce the authority and responsibility for granting leases and permits for taking natural resources from state-owned lands and established the Natural Resources Committee, which had the duty of setting a schedule of minimum fees and royalties and the terms and conditions for various types of permits and leases. Act 524 designated all funds received for leases or permits as general revenues for deposit in the State Treasury.

Act 572 of 1977 amended Act 524 of 1975 and created the Severed Resources Fund and provided a fee of \$130 to cover the cost of processing the lease or permit. The proceeds of the \$130 was to be deposited as follows:

1. \$5 declared to be cash funds and to be deposited in a bank in the Revenue Department Building Fund;
2. \$125 to be deposited in the State Treasury for credit to the Severed Resources Fund for use by the Natural Resources Committee.

Act 684 of 1981 amended Act 524 of 1975 to provide that the Director of the Department of Commerce shall set the fee to cover the cost of processing the application for a permit or lease. The moneys received were to be deposited in the Severed Resources Fund. It also provided that fund balances in the Fund in excess of \$5,000 on June 30 shall be transferred to the General Revenue Allotment Fund.

Act 691 of 1981 transferred all duties and functions of the Natural Resource Committee to the Department of Finance and Administration.

Act 509 of 1993 transferred the responsibility and authority for issuing leases for natural resources on state-owned lands.

### Revenues Generated:

Fiscal Year		
Ending June 30	Amount	%Change
1981	\$171,073	100.00+
1982	\$ 81,682	(52.25)
1983	\$152,889	87.18
1984	See Mineral Royalties and Leases*	

\*Oil and Gas Leases and Sand and Gravel Royalties are reported together.

### Distribution of Tax:

Fund balances over \$5,000 are deposited as general revenues.

### Administered by:

Department of Finance and Administration

### Cite:

Arkansas Code (1987) 22-5-806; 22-5-808

## 9.5. OIL SEVERANCE TAX - OIL MUSEUM

The additional severance tax on oil produced in Arkansas is collected by the Revenue Division of the Department of Finance and Administration and deposited in the State Treasury.

### **Rate and Base:**

Five mills per barrel of oil

### **Exemptions:**

None

### **History:**

The additional severance tax on oil produced in Arkansas was levied by Act 310 of 1977.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 36,724	0.58
2004	\$ 35,868	(2.33)
2005	\$ 32,573	(9.19)
2006	\$ 31,273	(3.99)
2007	\$ 31,303	1.00
2008	\$ 30,766	(1.72)
2009	\$ 30,245	(1.69)
2010	\$ 28,760	(4.91)
2011	\$ 29,002	0.84
2012	\$ 29,114	0.39
2013	\$ 35,590	22.24
2014	\$ 32,848	(7.70)

### **Distribution of Tax:**

Special Revenues for credit to the Oil Museum Fund

### **Administered by:**

Department of Finance and Administration - Revenue Services Division

### **Cite:**

Arkansas Code (1987) 26-58-301

## 9.6. MINERAL ROYALTIES AND LEASES

The Natural Resources Committee, establishes a schedule of minimum fees and royalties for taking any sand and gravel, oil, natural gas, casing head gas, coal or other minerals or severing any timber from beds of rivers and lakes or from any other lands held in the name of the State of Arkansas. The Commissioner of State Lands collects all funds as fees, royalties for leases or permits and deposits such funds in the State Treasury.

### Rate and Base:

The Natural Resources Committee establishes a schedule of minimum fees and royalties for the various types of permits and leases, and no permit or lease is granted for less than the minimums. The Department publishes in a newspaper of general circulation that an application for a lease or permit has been made with a description of the permit or lease and the minimum fee or royalty and then receives bids from other persons. The lease or permit is awarded to the highest bidder.

### Exemptions:

Sand and gravel may be removed from beds of any navigable river or lake by public agencies for road purposes without paying the State of Arkansas any amount whatsoever.

### History:

To protect the beds and bars of navigable streams and lakes, Act 138 was enacted in 1915 and provided that it shall be unlawful for any person to take sand or gravel, oil and coal from rivers and lakes without first receiving the consent of the Attorney General. The person receiving such consent paid into the State Treasury monthly 5¢ for each cubic yard of sand and gravel, ½¢ for each gallon of oil and 6¢ per ton for coal. For any other valuable minerals the person made a contract with the Attorney General. The State Treasurer returned the funds so collected to the counties at the end of each year to be used for public roads.

Act 296 of 1917 amended Act 138 of 1915 and established the following rates:

2.5¢ for each cubic yard of sand, 5¢ for each cubic yard of gravel, 0.5¢ for each gallon of oil, and 6¢ for each ton of coal.

It also provided that all funds collected should be credited by the State Treasurer to the General Revenue Fund.

Act 212 of 1929 substituted the Commissioner of Revenues for the Attorney General for giving consent to removing the items listed in previous Acts.

Act 25 of 1933 amended Act 212 of 1929 to extend the provisions of the Act to include all areas adjoining the mainland or islands in the navigable streams or any other lands held in the name of the State of Arkansas.

Act 149 of 1935 again amended Act 212 of 1929 to provide that the Commissioner of Revenues, with the advice and approval of the Attorney General, could define the limits in which any one person may take natural resources to 1,000

acres for oil or gas or casing head gas and 200 acres for other minerals and set the following rates:

2.5¢ for each cubic yard of sand, 5¢ for each cubic yard of gravel, 6¢ per ton on coal, 1/8 of the value of oil taken, and 1/8 of the value of gas or casing head gas.

Act 524 of 1975 established the Natural Resources Committee with the authority to set a schedule of minimum fees and royalties for taking sand and gravel, minerals and timber from state owned lands. The lease or permit was to be procured from the Department of Commerce, which would also collect all moneys due on the lease or permit and deposit the same in the State Treasury. Funds received by the Department of Commerce from all sources under Act 524 were special revenues and deposited in the accounts from which the agencies were supported, if such funds resulted from leases or permits on lands owned or held in the name of a state agency. All other funds received from all other state-owned lands were to be deposited in the State Treasury as general revenues. This Act also required a \$5 bid or application fee which was declared to be a cash fund for deposit in the Revenue Department Building Fund.

Act 572 of 1977 amended Act 524 of 1975 and required that a person entering into a lease or permit with the State of Arkansas shall pay a fee of \$130 with \$5 credited to the Revenue Department Building Fund and \$125 credited to the Severed Resources Fund for use by the Natural Resources Committee.

Act 684 of 1981 amended Act 572 of 1977 to allow the Director of the Department of Commerce to set the fee for a lease or permit with the State of Arkansas.

Act 691 of 1981 transferred the Natural Resource Committee to the Department of Finance and Administration and added the following to the Natural Resource Committee: The State Land Commissioner, Director of the Game and Fish Commission, Director of the Department of Parks and Tourism, Director of the Department of Finance and Administration. The Chairman of the Committee is now appointed by the Governor.

Act 509 of 1993 transfers the responsibility and authority for issuing leases for natural resources on state owned lands.



**Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 1,500,528	74.66
2004	\$ 1,367,223	(8.88)
2005	\$ 1,489,658	8.96
2006	\$ 1,570,930	5.46
2007	\$ 1,364,206	(13.16)
2008	\$ 1,453,808	6.57
2009	\$ 1,190,281	(18.13)
2010	\$ 711,334	(40.24)
2011	\$ 608,466	(14.46)
2012	\$ 919,352	51.09
2013	\$ 498,254	(45.80)
2014	\$ 615,458	23.52

**Distribution of Tax:**

General Revenues

**Administered by:**

Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 22-5-806; 22-5-807

## 9.7. SEVERANCE TAX (Exclusive of Timber)

There is levied and collected from each producer of natural resources a privilege tax known as "severance tax" to be paid to the Commissioner of Revenues.

### Rate and Base:

1. On barite, bauxite, titanium ore, manganese and manganiferous ores, zinc ore, cinnabar, lead ore, fifteen cents (15¢) per ton of 2,000 pounds.
2. On coal, lignite and iron ore, two cents (2¢) per ton of 2,000 pounds; an additional 8¢/ton on coal, lead ore, \$0.15 or 10% of market value whichever is greater.
3. On gypsum not used for manufacturing within Arkansas into ultimate consumer's goods, or sold for manufacturing within Arkansas into ultimate consumer's goods, and chemical grade limestone, silica sand, and dimension stone, one and one-half cents (1.5¢) per ton of 2,000 pounds.
4. On crushed stone, including, but without being limited thereto, chert, granite, slate, novaculite and limestone, construction sand, gravel, clay, chalk, shale and marl, 1¢/ton of 2,000 pounds, plus an additional 3¢/ton.
5. On natural gas, the following percent of market value at time and point of severance within the state:
  - i. newly discovered gas severance tax rate is one and one-half percent, 1.5%
  - ii. high-cost gas severance tax rate is one and one-half percent, 15%
  - iii. marginal gas severance tax rate is one and one quarter percent, 1.25%
  - iv. all natural gas not defined above shall have a severance tax of five percent, 5%
6. On diamonds, fuller's earth, ochre, natural asphalt, native sulphur, salt, pearls, and other precious stones, whetstone novaculite, and on all other natural resources, except gypsum, not otherwise specifically identified under the severance tax laws of this State, except mussel shells, five percent (5%) of the fair market value at the time of severance.
7. On salt water whose naturally dissolved components (solutes), are used as source raw materials for bromine and other products derived from the same.
8. Salt water used in the bromine production, two dollars and forty-five cents (\$2.45) per thousand barrels (42,000 U.S. gallons); plus 10¢/1,000 barrels with revenue going to the Oil and Brine Museum Fund.
9. On all other natural resources not otherwise specifically identified under the severance tax laws of this State, five percent (5%) of the market value at time and point of severance.

### Exemptions:

Any individual who occasionally severs natural resources from his own premises to be utilized in the construction, repair or maintenance of his own structures or improvements.

### History:

Act 118 of 1923 imposed the first severance tax on natural resources and provided for the levying of a tax of 25¢ per ton on bauxite and 1¢ per ton on coal and a tax of 2.5% of the gross cash market value of the total production on all other natural resources mined or severed. The payment of the taxes was required of the severer or producer actually engaged in the operation of severing natural products and was to be paid quarterly by him to the State Treasurer.

Act 681 of 1923 amended Act 118 of 1923 to remove manganese ore from the requirement of paying a tax of 2.5% of the gross cash market value and levied instead a tax of 10¢ per ton. Act 681 also provided that a portion (1/3 of the severance tax collected) of the taxes were to be returned to the counties from which the resource was severed.

Act 2 of the 2nd Extraordinary Session of 1924 removed the 25¢-per-ton tax on bauxite and imposed a tax of 2.5% of the gross cash market value.

Act 142 of 1927 levied an additional severance tax of one mill on each ton of coal mined and one mill on each ton of manganese ore mined. On all other minerals, an additional tax of 1/10 of 1% of the gross market value was imposed. These additional taxes were for the support of the Office of the State Geologist.

Act 203 of 1929 excluded coals from the payment of the additional one-mill-per-ton tax levied by Act 142 of 1927. Coal was also excluded from the additional 1/10-of-1% tax levied by Act 142 of 1927 on all other minerals.

Act 136 of 1947 repealed all previous severance tax laws and imposed the following taxes on each producer at the following rates:

1. on barite, bauxite, titanium ore, manganese and manganiferous ores, zinc ore, cinnabar, lead ore, ten cents (10¢) per ton of 2,000 pounds;
2. on coal and lignite, one cent (1¢) per ton of 2,000 pounds;
3. on gypsum and chemical grade limestone, silica sand, and dimension stone, one cent (1¢) per ton of 2,000 pounds;
4. on crushed stone, including, but without being limited thereto, chert, granite, slate, novaculite and limestone; construction sand, gravel, clay, chalk, shale and marl, one-half cent (½¢) per ton of 2,000 pounds;
5. on natural gas, three-twentieths of one cent (3/20 of 1¢) per 1,000 cubic feet;
6. on diamonds, mussel shells, fuller's earth, ochre, oil, natural asphalt, native sulphur, salt, iron, pearls and other precious stones, whetstone novaculite, and on all other natural resources, four percent (4%) of the market value at time and point of severance.

Act 136 of 1947 provided that 75% of severance taxes would be general revenues and 25% would be special revenues to be returned to the counties.

Act 21 of 1957 amended the severance tax rates in Act 136 of 1947 so as to provide additional general revenues as follows:

1. on barite, bauxite, titanium ore, manganese and maganiferous ores, zinc ore, cinnabar, lead ore, fifteen cents (15¢) per ton of 2,000 pounds;
2. on coal and lignite, two cents (2¢) per ton of 2,000 pounds;
3. on gypsum and chemical grade limestone, silica sand, and dimension stone, one and one-half cents (1.5¢) per ton of 2,000 pounds;
4. on crushed stone, including, but without being limited thereto, chert, granite, slate, novaculite and limestone, construction sand, gravel, clay, chalk, shale and marl, one cent (1¢) per ton of 2,000 pounds;
5. on natural gas, three-tenths of one cent (3/10 of 1¢) per 1,000 cubic feet; and, on oil, five percent (5%) of the market value at time and point of severance. Provided, however, that whenever the production of oil on a single lease shall average ten (10) barrels or less per well per day during each calendar month, the privilege or license tax shall be computed at the rate of four percent (4%) of the market value at time and point of severance. The Commissioner of Revenues shall have the power to promulgate such reasonable rules and regulations as shall be necessary to effectively enforce the foregoing provisions;
6. on diamonds, mussel shells, fuller's earth, ochre, natural asphalt, native sulphur, salt, iron, pearls and other precious stones, whetstone novaculite, and on all other natural resources not otherwise specifically identified under the severance tax laws of this State, five percent (5%) of the market value at time and point of severance.
7. Act 147 of 1971 amended Act 21 of 1957 by adding the following:
  - a. on salt water whose naturally dissolved components (solutes), are used as source raw materials for bromine and other products derived from the same salt water used in the bromine production, two dollars (\$2.00) per thousand barrels (42,000 U.S. gallons).

Act 560 of 1983 levied an additional severance tax on coal in the amount of 8¢ per ton, which is to be deposited in the State Treasury for credit to the Constitutional and Fiscal Agencies Fund.

Act 761 of 1983 levied the following additional severance tax on stone and crushed stone, including but without limitation thereto, chert, granite, slate, novaculite and limestone (excluding limestone used for agricultural purposes) construction sand, gravel, clay, chalk, shale and marl, 1¢ per ton during the calendar year 1984, 2¢ per ton during the calendar year 1985, and 3¢ per ton on and after January 1, 1986.

The State Treasurer shall allocate the additional funds as follows:

1. 3% to the Constitutional and Fiscal Agencies Fund, 97% of the amount as follows:
  - a. 25% to the County Aid Fund to be distributed to the counties quarterly, to be divided by the county treasurer 50% to the County General School Fund and 50% to the County Highway Fund.
  - b. 75% to the County Aid Fund to be distributed to the counties quarterly on the same basis as other highway revenues are distributed to the counties from the County Aid Fund.

Act 874 of 1983 increased the severance tax on salt water whose naturally dissolved components (solutes) are used as a source of raw materials for bromine and other products derived from the same salt water used in bromine production from \$2.00 to \$2.45 per thousand barrels and provided that 45¢ of the tax shall be deposited as special revenues for credit to the Oil and Gas Commission Fund.

Act 22 of 1<sup>st</sup> Extraordinary Session of 1981 levied a 2¢/barrel tax on oil and 10¢/1,000 barrels of brine. All monies collected are earmarked for the Oil and Brine Museum Fund.

Act 25 of 1993 provides for a severance tax on lead ore at a rate of \$0.15 per ton or 10% of market value whichever is greater.

Act 848 of 1993 provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

Act 1156 of 1993 provides that the severance tax on diamonds shall be deposited in the Arkansas State Parks Trust Fund.

Act 356 of 1995 allows saltwater injection wells to be included in the total well count for calculating average production of low-producing wells.

Act 1093 of 1995 Provides exemptions from oil severance tax - 1) 50% reduction in tax for oil produced under an enhanced recovery plan approved by the Oil and Gas Commission; 2) 100% exemption for 10 years for oil produced from an inactive well or field; 3) 100% exemption for an indefinite period for additional oil produced from an active field using "new technology".

Act 1279 of 2003 allows the surface owner of property to purchase the severed tax-delinquent mineral interest of the property.

Act 4 and Act 5 of First Extraordinary Session of the 86th General Assembly increases the severance tax rate on natural gas at different rates of tax for different categories of natural gas.

Act 145 of 2009 allows flexibility in the reporting of severed natural gas.

Act 737 of 2009 specifies that biomass grown for the purpose of biofuel production is not subject to severance tax.

**Conventional General Plus Special Revenues  
Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 10,970,022	22.07
2004	\$ 11,699,858	6.65
2005	\$ 14,629,667	25.04
2006	\$ 17,859,469	22.08
2007	\$ 17,543,444	(1.77)
2008	\$ 23,946,452	36.50
2009	\$ 20,225,323	(15.54)
2010	\$ 16,860,775	(16.64)
2011	\$ 21,050,863	24.85
2012	\$ 26,890,352	27.74
2013	\$ 27,037,265	0.55
2014	\$ 28,933,329	7.01

**Natural Gas Severance – Special:**

Fiscal Year Ending June 30	Amount	%Change
2009	\$ 9,603,493	---
2010	\$ 42,932,921	47.05
2011	\$ 52,421,848	22.10
2012	\$ 52,588,803	0.32
2013	\$ 47,684,575	(9.32)
2014	\$ 72,076,246	51.15

**Distribution of Tax:**

75% General Revenues; 25% Special Revenues credited to the County Aid Fund

Distribution of Natural Gas Severance:

5% General Revenues; 95% Special Revenues credited to the Arkansas Highway Revenue Distribution Law, which provides 70% to the Highway and Transportation Department, 15% to Counties, and 15% to Municipalities.

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 26-58-111 et seq.

26-58-101 - 26-58-103 & 26-58-106 - 26-58-111  
 26-58-114 - 26-58-116 & 26-58-118 - 26-58-120  
 26-58-123 & 26-58-124

## 9.8. TIMBER SEVERANCE TAX

Timber Severance Tax is levied on and collected from each producer of saw timber and timber products by the Commissioner of Revenues. Producer is defined as “any person, firm, receiver or other judiciary, corporation or association, who or which engages in the business of severing natural resources.”

### Rate and Base:

1. Pine timber - 17.8¢/ton of 2,000 pounds
2. All other timber - 12.5¢/ton of 2,000 pounds

### Exemptions:

Timber severed from a person’s own premises to be used by him and not for sale, commercial gain or profit.

### History:

The timber severance tax was enacted, along with a severance tax on numerous other natural resources, by [Act 118 of 1923](#) at a rate of 7¢ per 1,000 feet board measure on the total stumpage severed.

#### Pine Saw Timber

Year	Rate/1,000 Feet
1923	7¢ lumber scale
1947	10¢
1949	10¢ log scale
1953	50¢

#### Other Saw Timber

Year	Rate/1,000 Feet
1923	7¢ lumber scale
1947	10¢
1949	10¢ log scale
1953	25¢
1977	38¢
1981	63¢

#### Timber Products - Pulpwood

Year	Rate/Cord
1947	5¢
1953	25¢ (Pine), 20¢ (Hardwood)
1977	38¢ (Pine), 30¢ (Hardwood)
1981	63¢ (Pine), 50¢ (Hardwood)

[Act 254 of 1983](#) requires that the severance tax on timber shall be collected, reported and remitted by each primary processor and shall be computed on the weight of such timber as determined at the last time such timber is weighed prior to undergoing the first processing after severance and shall be at the following rates:

1. On all pine timber - 17.8¢/ton of 2000 pounds;
2. On all other timber - 12.5¢/ton of 2000 pounds

The Act provided the following conversion factors to convert other measurements to weight:

Product	Conversion Factors
<b>Sawtimber:</b>	
Pine	16,000 lbs./MBF Doyle
All Other	16,000 lbs./MBF Doyle
<b>Pulpwood:</b>	
Pine	5,000 lbs./Cord-128 Cu.Ft.
All Other	6,000 lbs./Cord-128 Cu.Ft.
Posts or Poles:	Less than 10’ 30 Posts/Ton
	10’-16’ 15 Posts/Ton
<b>Poles or Piling: Greater than 16’ 40 Lineal Ft./Ton</b>	
Split Cords	6,000 lbs./Cord-128 Cu.Ft.
Veneer Cords	5,000 lbs./Cord-128 Cu.Ft.
Handle & Other Cords	6,000 lbs./Cord-128 Cu.Ft.
Chemical Cords	6,000 lbs./Cord-128 Cu.Ft.
<b>Whole Tree Chips:</b>	
Pine	5,000 lbs./Cord-128 Cu.Ft.
All Other	6,000 lbs./Cord-128 Cu.Ft.

[Act 848 of 1993](#) provides that taxpayers with certain monthly tax liabilities must remit tax by electronic fund transfer.

### Revenues Generated:

Fiscal Year	Amount	%Change
Ending June 30		
2003	\$ 4,000,863	6.46
2004	\$ 4,013,676	0.32
2005	\$ 3,931,309	(2.05)
2006	\$ 4,154,652	5.68
2007	\$ 3,819,053	(8.08)
2008	\$ 3,664,535	4.05
2009	\$ 3,054,412	(16.65)
2010	\$ 2,949,004	(3.45)
2011	\$ 3,292,915	11.66
2012	\$ 3,321,817	0.88
2013	\$ 3,401,627	2.40
2014	\$ 3,404,748	0.09

### Distribution of Tax:

Prior to the enactment of Act 938 of 1981, all timber severance taxes were classified as Special Revenues for credit to the Forestry Commission Fund.

[Act 938 of 1981](#), which was an amendment to Act 750 of 1973, the Revenue Stabilization Law, by Section 13, amended Section 84-2112 of the Arkansas Statutes to make the following distribution of timber severance taxes:

- A. Three percent (3%) to the Constitutional and Fiscal Agencies Fund.
- B. Ninety-seven percent (97%) of the amount thereof, as follows:
  - (a)(i) For the fiscal year ending June 30, 1980, all of such amount of severance taxes, penalties and costs on timber and timber products shall be credited to the State Forestry Fund, and for each fiscal year commencing July 1, 1980 and thereafter, all of such amount of

severance taxes, penalties, and costs on timber and timber products shall be credited to the State Forestry Fund until there has been distributed thereto an amount not less than the total amount of severance taxes, penalties and costs on timber and timber products distributed thereto during the fiscal year ending June 30, 1980, plus an additional amount of two million dollars (\$2,000,000) thereof, to be used exclusively for the purpose of carrying out the functions and duties of the State Forestry Commission;

(ii) The next three hundred fifty thousand dollars (\$350,000) or so much thereof as may be collected in severance taxes, penalties and costs on timber and timber products, over and above the amount distributed to the State Forestry Fund during each fiscal year as provided in subsection (i) of this subsection (a), shall be distributed and credited to the University of Arkansas at Monticello Fund to be set aside therein to be used solely and exclusively for providing additional support for the School of Forestry of the University of Arkansas at Monticello; and

(iii) All of such amount of severance taxes, penalties and costs on timber and timber products collected during each fiscal year commencing July 1, 1980 and thereafter, in excess of the amounts required to be distributed for each fiscal (ii) of this subsection shall be distributed to the State Forestry Fund to be used exclusively for the support of carrying out the functions and duties of the State Forestry Commission.

**Administered by:**

Department of Finance and Administration - Revenue  
Services Division

**Cite:**

Arkansas Code (1987) 26-58-111

## 9.9. The TIMBERLANDS TAX

The Timberlands Tax is levied on timberlands and range lands and is paid by the owners to the county tax collectors, who remit the tax to the State Treasury.

### Rate and Base:

20¢ per acre

### Exemptions:

None

### History:

The Timberlands Tax was first levied on timberlands at the annual rate of 3¢ per acre by Act 354 of 1969. Act 388 of 1977 amended Act 354 to include “range lands” subject to the tax. Act 426 of 1981 increased the rate to 5¢ per acre. Act 1112 and Act 865 of 1993 increase the timberland tax from \$0.05/acre to \$0.15 per acre. Also, the Forestry Commission is authorized to charge private landowners a fee not to exceed \$4.00 per acre to prepare timber management plans.

Act 1391 of 2013 increases the annual rate levied to 20¢ per acre.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 2,105,167	(0.28)
2004	\$ 2,107,613	0.12
2005	\$ 2,144,900	1.77
2006	\$ 2,071,321	(3.43)
2007	\$ 2,102,948	1.53
2008	\$ 2,104,034	0.05
2009	\$ 2,005,702	(4.67)
2010	\$ 2,098,077	4.61
2011	\$ 2,054,193	(2.09)
2012	\$ 2,054,635	0.02
2013	\$ 2,078,423	1.16
2014	\$ 2,237,592	7.66

### Distribution of Tax:

Special Revenues for credit to the Forestry Commission Fund

### Administered by:

State Forestry Commission and various county officials

### Cite:

Arkansas Code (1987) 26-61-103

## CHAPTER 10 - Miscellaneous

### 10.1. AMUSEMENT MACHINE TAX

An annual privilege tax is imposed on each amusement game and a license is required for the privilege of owning, operating or leasing coin-operated amusement devices. The Commissioner of Revenues collects the tax and issues the license.

#### Rate and Base:

The annual tax on each amusement game is \$5; the annual fee for all licensees operating not more than three amusement devices is \$500; and, for all licensees operating more than three amusement devices, the fee is \$1,000. Provided, however, that those who restrict the placement of coin-operated amusement devices exclusively to carnivals and county, district and state fairs shall pay a monthly license fee as follows:

Licensees operating not more than three (3) amusement devices, the sum of seventy-five dollars (\$75) a month, and for all licensees operating more than three (3) amusement devices, the sum of one hundred fifty dollars (\$150) a month. Any licensee who operates amusement devices for more than three (3) months in any one calendar year is required to pay the annual fee for a license, and any business that sells coin-operated amusement devices shall acquire a license for \$25 and each salesman employed by such business shall pay \$5 for a license.

#### Exemptions:

None

#### History:

Act 201 of 1939 imposed a \$5 annual tax on each amusement machine and Act 120 of 1959 provided for a fee of \$250 for the privilege of owning, operating or leasing coin-operated amusement devices. Act 553 of 1977 repealed Act 120 of 1959 and established the following fees:

1. All licensees operating not more than 3 amusement devices, the sum of \$ 500.
2. All licensees operating more than 3 amusement devices, the sum of \$1,000.
3. However, that those who restrict the placement of coin-operated amusement devices exclusively to carnivals and county, district and state fairs shall pay a monthly license fee as follows:

Licensees operating not more than three (3) amusement devices, the sum of seventy-five dollars (\$75) a month, and for all licensees operating more than three (3) amusement devices, the sum of one hundred fifty dollars (\$150) a month. Any licensee who operates amusement devices for more than three months in any one calendar year is required to pay the annual fee for a license.

Act 868 of 1981 repeated the same fees.

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 269,045	(39.57)
2004	\$ 456,039	69.50
2005	\$ 290,611	(36.27)
2006	\$ 159,648	(45.06)
2007	\$ 400,610	150.93
2008	\$ 236,698	(40.92)
2009	\$ 255,130	7.79
2010	\$ 238,870	(6.37)
2011	\$ 265,640	11.21
2012	\$ 169,113	(36.34)
2013	\$ 147,078	(13.03)
2014	\$ 219,775	49.43

#### Distribution of Tax:

Special Revenues, of which, the first \$30,000 shall be deposited in the Public School Fund and the remaining revenue deposited to the credit of the Public Health Fund (Act 201 of 1939).

#### Administered by:

Department of Finance and Administration - Revenue Services Division

#### Cite:

Arkansas Code (1987) 26-57-404; 26-57-407; 26-57-409; 26-57-419



## **10.2. BEEF COUNCIL ASSESSMENT**

The Beef Council Assessment is collected by the Commissioner of Revenues from each purchase of cattle in the state. The Commissioner of Revenues deposits the money in the State Treasury.

### **Rate and Base:**

\$1 per head

### **Exemptions:**

None

### **History:**

The Beef Council Assessment was authorized by Act 160 of 1983 at the rate of 25¢ per head.

Act 3 of 1987 increased the Beef Council assessment from 25¢/head to \$1/head of cattle sold. Each dollar is then divided evenly between the state and national program fund as follows:

1. Arkansas Beef Council - 50¢
2. National Beef Promotion Account - 50¢

Act 250 of 1997 provides that funds credited to the State Beef Promotion Account shall be used in such manner as the Arkansas Beef Council deems appropriate for Arkansas beef promotion and research and for the operation and maintenance of the Arkansas Beef Council office and the payment of expenses of the council members in accordance with 25-16-901 et. seq.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 454,786	(2.77)
2004	\$ 501,330	10.23
2005	\$ 488,758	(2.51)
2006	\$ 481,416	(1.50)
2007	\$ 465,646	(3.28)
2008	\$ 464,956	(0.15)
2009	\$ 435,097	(6.42)
2010	\$ 511,729	17.61
2011	\$ 521,941	2.00
2012	\$ 473,166	(9.34)
2013	\$ 404,081	(14.60)
2014	\$ 368,331	(8.85)

### **Distribution of Tax:**

Special Revenues

### **Administered by:**

Department of Finance and Administration - Revenue Services Division

### **Cite:**

Arkansas Code (1987) 2-35-401

### 10.3. BRUCELLOSIS FEES

The Brucellosis Fee is collected by the livestock market operator and is remitted weekly to the State Veterinarian, who then remits the same to the State Treasury. Livestock market operators may withhold 8% of the fees collected to defray the cost of administering the program.

#### Rate and Base:

Fee is set by the Livestock and Poultry Commission as necessary to continue the Brucellosis Program.

#### Exemptions:

None

#### History:

The Brucellosis Vaccination Fee was authorized by Act 150 of 1985 at the rate of \$3 per calf for one year. Thereafter, the commission may set whatever fee is necessary to continue the program.

Act 736 of 1989 levies, until July 1, 1990, a fee of \$1.00 per head of cattle sold in this state. Thereafter, the Livestock and Poultry Commission shall establish the fee.

Act 1174 of 1993 assesses a \$2.00 per head on all private ownership of cows tested in the state. Also, a fee of \$2.00 per head on all horses sold in the state.

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 720,323	(4.84)
2004	\$ 801,929	11.33
2005	\$ 789,367	(1.57)
2006	\$ 763,186	(3.32)
2007	\$ 733,425	(3.90)
2008	\$ 676,224	(7.80)
2009	\$ 673,113	(0.46)
2010	\$ 684,843	1.74
2011	\$ 702,824	2.63
2012	\$ 669,704	(4.71)
2013	\$ 604,237	(9.78)
2014	\$ 524,128	(13.26)

#### Distribution of Tax:

Special Revenues for credit to the Livestock and Poultry Commission Disease and Pest Control Fund

#### Administered by:

State Veterinarian

#### Cite:

Arkansas Code (1987) 2-40-206

## 10.4. CATFISH FEED ASSESSMENT

The Catfish Feed Assessment is collected by the Director of the Department of Finance and Administration from the seller of catfish seed.

### Rate and Base:

\$1 per ton

### Exemptions:

Any producer may request and receive a refund of the assessment paid if application is made within 60 days for the date of sale. Sellers may deduct 1% of gross assessments to cover the costs of compliance.

### History:

The Catfish Feed Assessment was authorized by Act 790 of 1999 for up to a rate of \$5 per ton subject to an election by commercial catfish producers in the State.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 110,222	(10.60)
2004	\$ 156,797	42.26
2005	\$ 154,091	(1.73)
2006	\$ 119,357	(22.54)
2007	\$ 129,107	8.17
2008	\$ 128,190	(0.71)
2009	\$ 103,669	(19.13)
2010	\$ 68,620	(33.81)
2011	\$ 43,859	(36.08)
2012	\$ 40,626	(7.37)
2013	\$ 29,655	(27.00)
2014	\$ 28,911	(2.51)

### Distribution of Tax:

Special Revenues for credit to the Arkansas Catfish Promotion Fund.

### Administered by:

Department of Finance and Administration-Revenue Services  
Division

### Cite:

Arkansas Code Annotated 2-9-107

## 10.5. CORN AND GRAIN SORGHUM PROMOTION BOARD

The corn and grain sorghum assessment is collected by the Commissioner of Revenue from the buyer of corn or grain sorghum at the first point of sale or when it enters the USDA loan program.

### Rate and Base:

1¢ per bushel

### Exemptions:

None

### History:

Act 271 of 1997 established the Corn and Grain Sorghum Promotion Board.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 323,604	26.37
2004	\$ 465,264	43.78
2005	\$ 318,356	(31.58)
2006	\$ 258,804	(18.71)
2007	\$ 214,990	(16.93)
2008	\$ 986,890	359.04
2009	\$ 602,732	(38.93)
2010	\$ 503,194	(16.51)
2011	\$ 514,774	2.30
2012	\$ 682,960	32.67
2013	\$1,192,907	74.67
2014	\$1,473,510	23.52

### Distribution of Tax:

Special Revenues credited to the Arkansas Corn and Sorghum Promotion Board

### Administered by:

Department of Finance and Administration – Revenue Services Division.

### Cite:

Arkansas Code 2-20-804

## 10.6. DEPARTMENT OF CORRECTION FARM INCOME

**Cite:**

Arkansas Code (1987) 22-3-1217

The farm operations of the Department of Correction began with the purchase of the Cummins Farm in 1902 and were expanded with the purchase of the Tucker Farm in 1916. From the beginning, all moneys collected by the Department from the sale of farm products, livestock or other products produced on the farms were deposited in the State Treasury.

**Exemptions:**

None

**History:**

Act 69 of 1913 provided that all moneys received from all sources shall be deposited in the State Treasury, and this provision was repeated by Act 50 of the First Extraordinary Session of 1968, which created the Department of Correction.

Act 458 of 1983 changed the distribution of income from the Prison Farm. Under Act 458, all income generated is “pledged revenue” to be deposited in the Public Facilities Debt Service Fund. Any amount not needed for debt service is credited back to the Department of Correction Farm Fund.

Act 9 of 1995, 1st Extraordinary Session changed the distribution of farm income and declaring all moneys from the sale of or disposition of farm products produced are cash funds and paid by the Department of Correction to the Arkansas Development Finance Authority for deposit in the Correction Facilities Privatization Account of the Correction Facilities Construction Fund and dedicated solely for acquisition, construction and rehabilitation of correction facilities or for payments to private contractors for the use of correction facilities by the department.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 4,906,091	(0.98)
2004	\$ 5,938,600	21.05
2005	\$ 6,102,548	2.76
2006	\$ 5,718,270	6.30
2007	\$ 5,125,959	(10.35)
2008	\$ 9,101,793	77.56
2009	\$ 7,337,030	(19.39)
2010	\$ 6,889,636	(6.10)
2011	\$ 8,296,037	20.41
2012	\$10,334,273	24.57
2013	\$ 9,852,137	(4.67)
2014	\$ 7,375,652	(25.14)

**Distribution of Tax:**

Farm income deposited as cash funds as provided for by Arkansas Code 22-3-1210(c)(1)(A).

**Administered by:**

Department of Correction

## **10.7. DEPARTMENT OF CORRECTION PRISON INDUSTRIES INCOME**

The Board of the Department of Correction is authorized to establish and maintain at the penitentiary, or any penal farm or institution under control of the Board, industries for the utilization of services of prisoners in the manufacture or production of such articles or products as may be needed for the use of any office, department, institution or agency supported by the State or political subdivisions. All moneys collected by the Board are deposited with the State Treasury to be used in the Prison Industries Program of the Department.

### **Exemptions:**

Articles or products produced by the Department which do not meet the reasonable requirements of the agencies or where the requisition made by the agencies cannot be complied with.

### **History:**

The Prison Industries Program was authorized by Act 473 of 1967, the "Prison-Made Goods Act of 1967."

Act 458 of 1983 changed the distribution of Prison Industries income. Under Act 458, all income generated is "pledged revenue" to be deposited in the Public Facilities Debt Service Fund. Any amount not needed for debt service is credited back to the Department of Correction Prison Industry Fund.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 6,124,169	(13.71)
2004	\$ 6,722,025	9.76
2005	\$ 6,396,119	(4.85)
2006	\$ 6,706,888	4.86
2007	\$ 6,108,421	8.92
2008	\$ 8,808,273	44.20
2009	\$ 6,453,793	(26.73)
2010	\$ 8,443,944	30.84
2011	\$ 6,911,820	(18.14)
2012	\$ 6,543,431	(5.33)
2013	\$ 6,774,280	3.53
2014	\$ 8,375,354	23.63

### **Distribution of Tax:**

Special Revenues

### **Administered by:**

Department of Correction

### **Cite:**

Arkansas Code (1987) 22-3-1218

## 10.8. ESTATE TAX

Estate tax is imposed upon the transfer of real estate and personal property owned by every person who at the time of death was a resident of Arkansas and upon the transfer of all real, tangible and intangible personal property located in Arkansas by any nonresident of the State. The tax is collected by the Commissioner of Revenues from the executor of the estate of the decedent.

### Rate and Base:

The estate tax is imposed on the transfer of real and personal property of residents and nonresidents of Arkansas, the amount of which shall be a sum equal to the federal credit allowable under the Federal Revenue Act.

### Exemptions:

1. Title to any property passing to or for the use of the State of Arkansas or for the use of other political subdivision, public institutions of learning or any public hospital not for profit within the State; and
2. Any bequest made by a resident of Arkansas to any religious, charitable or educational institution, organization or foundation (non-profit), even though such organization is located in another state, if the other state provides a like exemption for bequests by residents of that state to such organizations in this State.

Act 982 of 2001 exempts the bonds and interest from All taxation, state, county and municipal including income and inheritance taxes.

### History:

The Estate Tax was enacted by Act 303 of 1909 and imposed the following rates:

1. When property passed to a grandfather, grandmother, father, mother, husband, wife, lineal descendant, brother, sister or any adopted child, the tax was one dollar (\$1.00) on every hundred dollars (\$100.00) of the value of the estate in excess of five thousand dollars (\$5,000);
2. When property passed to an uncle, aunt, niece, nephew, or any lineal descendant of the same, the rate of tax was two dollars (\$2.00) on every hundred dollars (\$100.00) of the value of the estate in excess of two thousand dollars (\$2,000); and
3. In other cases, the rate was three dollars (\$3.00) on each hundred dollars (\$100.00) of the value of the estate of ten thousand dollars (\$10,000) or less; on estates of the value between ten thousand dollars (\$10,000) and fifty thousand dollars (\$50,000), the rate was five dollars (\$5.00) on each hundred dollars (\$100.00); and on all estates exceeding fifty thousand dollars (\$50,000), the rate was six dollars (\$6.00) on each hundred dollars (\$100.00).

Act 197 of 1913 repealed Act 303 of 1909 and established the following rates:

1. \$5,000 or less (primary rates)

- a. The rates of taxation on all taxable values not in excess of five thousand dollars (\$5,000) are, for convenience, termed "primary rates," and shall be as follows:

- 1) Upon a transfer taxable under this Act of property or any beneficial interest therein, of an amount in excess of the exemptions provided in subdivision 2 of Section 3 of this Act and not in excess of five thousand dollars (\$5,000) to any father, mother, husband, wife, child, brother, sister, wife or widow or a son, or the husband of a daughter, or any child or children adopted as such in conformity with the laws of the State of the decedent, grantor, donor or vendor, or to any child to whom any such decedent, grantor, donor or vendor for not less than ten years prior to such transfer stood in the mutually acknowledged relation of a parent; provided, however, such relationship began at or before the child's fifteenth birthday and was continuous for said ten years thereafter, or to any lineal descendant of such decedent, grantor, donor or vendor born in lawful wedlock, the tax shall be at the rate of one percent (1%) of the clear value of such interest in such property.

- 2) Upon a transfer taxable under this Act of property or any beneficial interest therein, of an amount in excess of the exemptions provided in subdivision 3 of Section 3 of this Act and not in excess of five thousand dollars (\$5,000), to any person or corporation other than those enumerated in subdivision 1 of this Section, the tax shall be at the rate of three percent (3%) of the clear value of such interest in such property.

2. Over \$5,000 (secondary rates)

- a. Upon all amounts in excess of five thousand dollars (\$5,000) and up to ten thousand dollars (\$10,000), two times the primary rates.
- b. Upon all amounts in excess of ten thousand dollars (\$10,000) and up to thirty thousand dollars (\$30,000), three times the primary rates.
- c. Upon all amounts in excess of thirty thousand dollars (\$30,000), and up to fifty thousand dollars (\$50,000), four times the primary rates.
- d. Upon all amounts in excess of fifty thousand dollars (\$50,000) and up to one hundred thousand dollars (\$100,000), five times the primary rates.
- e. Upon all amounts in excess of one hundred thousand dollars (\$100,000) and up to five hundred thousand dollars (\$500,000), six times the primary rates.
- f. Upon all amounts in excess of five hundred thousand dollars (\$500,000) and up to one million dollars (\$1,000,000), seven times the primary rates.
- g. Upon all amounts in excess of one million dollars (\$1,000,000), eight times the primary rates.

Act 136 of 1941 repealed all Inheritance Tax Laws or parts of Inheritance Tax Laws (Act 197 of 1913) and imposed an Estate Tax equal to the federal credit allowable under the Federal Revenue Act.

Act 379 of 1983, the “Technical Corrections Tax Act of 1983,” updates the current Arkansas law to adopt the Federal Estate tax law provisions currently in effect and to provide that no Arkansas Estate Tax shall be imposed if there is no Federal Estate Tax.

Act 910 of 1989 provides a special installment deferral of up to 15 years for the payment of Arkansas Estate Tax for certain qualifying businesses.

Act 590 of 1993 establishes the Economic Development of Arkansas Fund. The Fund is to consist of a portion of the Estate Tax.

Act 1681 of 2001 abolishes the Economic Development of Arkansas Fund Commission. Also, provides that the Special Revenue portion is now credited to the General Improvement Fund.

Act 645 of 2003 adopts the federal phase-out of the State Death Tax Credit portion of estate tax law.

Act 276 of 2007 adopts a uniform estate tax apportionment law.

**Revenues Generated:**

General Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 15,000,000	(26.30)
2004	\$ 14,014,461	(6.57)
2005	\$ 9,098,915	(35.07)
2006	\$ 2,578,577	(71.66)
2007	\$ 434,070	(83.17)
2008	\$ 167,965	(61.13)
2009	\$ 224,048	33.39
2010	\$ 89,226	(60.18)
2011	\$ 2,931	(96.72)
2012	-0-	(100.00)
2013	\$ 91,808	100.00
2014	\$ 2,777	(96.98)

Special Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 48,551,401	145.68
2004	\$ 7,380,543	(84.80)
2005	\$ 4,703,830	(36.27)
2006	-0-	(100.00)
2007	-0-	----
2008	-0-	----
2009	-0-	----
2010	-0-	----
2011	-0-	----
2012	-0-	----
2013	-0-	----
2014	-0-	----

**Distribution of Tax:**

General Revenues & Special Revenues

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 26-59-109



## 10.9. LAND DEPARTMENT FEES

The Commissioner of the State Lands collects various fees which are deposited in the State Treasury.

### Rate and Base:

Emergent Land Deeds issued pursuant to Act 203 of 1945, as amended	\$5
Deeds to 16th Section school lands under Section 1 of Act 183 of 1905, as amended	\$5
Quitclaim Deed of Mineral Interest under Act 266 of 1945	\$5
Issuance of duplicate deeds and patents under Section 2 of Act 53 of the Adjourned Session of 1875	\$5
Issuance of original patents under Section 3 of Act 10 of 1885	\$5
Redemption deeds issued under Section 6 of Act 151 of 1891	\$5
Issuance of sale deeds	\$5
Double entry statements	\$3
Disclaimers	\$3
For each page of field notes issued by the Office of the State Land Commissioner	50¢
Each GLO plat copied and distributed	\$5 + cost
Commissioner's Fee	\$25
Each Certification of Donation	\$10
Donation Deed	\$1

### Exemptions:

None

### History:

Quitclaim Deed Fees	Act 151 of 1891
Sale of Islands	Act 282 of 1917
Land Redemption	Act 74 of 1875
Patent Fees	Act 77 of 1875
Field Notes	Act 12 of 1881
Plats	Act 12 of 1881
Certificate of Donation	Act 117 of 1883
Land Use Committee Sales	Act 331 of 1939
Land Use Committee Sales	Act 331 of 1939

Act 886 of 1983 established the current fees collected by the Commissioner of State Lands.

Act 318 of 1985 established a \$25 fee collected against all tax delinquent land transferred to the State.

Act 423 of 2001 provides the Commissioner of State Lands shall charge a twenty-five dollar fee against tax delinquent land redeemed or sold by the Commissioner. In addition, effective July 1, 2001, Land Department Fees shall be deposited in a financial institution and, therefore, are no longer classified as special revenue.

### Revenues Generated:

#### Cash Funds

Fiscal Year	Amount	%Change
Ending June 30		
2003	-0-	-0-
2004	-0-	-0-
2005	-0-	-0-
2006	-0-	-0-
2007	-0-	-0-
2008	-0-	-0-
2009	-0-	-0-
2010	-0-	-0-
2011	-0-	-0-
2012	-0-	-0-
2013	-0-	-0-
2014	-0-	-0-

### Distribution of Tax:

Special Revenues for credit to the Constitutional Officers Fund until June 30, 2001. These fees are now considered cash funds.

### Administered by:

Commissioner of State Lands

### Cite:

Arkansas Code (1987) 21-6-203

## 10.10. MOTOR BOAT REGISTRATION FEES

The Game and Fish Commission is authorized to establish a system of identification numbering for all motor boats used in this State. The owners of motor boats file an application for numbers with the county revenue collectors who collect the required fees which are remitted by the Commissioner of Revenues to the State Treasury.

### Rate and Base:

	3 years
Vessels less than 16' in length	\$ 7.50
Vessels 16' to less than 26'	\$ 15.00
Vessels 26' to less than 40'	\$ 51.00
Vessels 40' or more	\$105.00
Transfers of ownership	\$ 2.00

### Exemptions:

Boats covered by number awarded by a federal law or by a law of another state; boats owned by the United States, a State or a subdivision; a lifeboat or boats exempted by the Game and Fish Commission, and boats propelled by machinery of 10 horsepower and less.

### History:

Registration of motor boats was first required by Act 228 of 1923 by the County Clerk of the county in which an owner resided. Act 228 provided that the County Clerk was entitled to a fee of \$1.50 for issuing certificates of registration, \$1.00 for each duplicate certificate and 25¢ for each extension.

Act 453 of 1959 repealed Act 228 of 1923 and required the County Clerk to collect the following fees:

1. \$1 for transfer of registration from one owner to another
2. \$2 for issuance of certificate of registration
3. \$1 for each annual renewal

The County Clerk was authorized to retain 15¢ as his fee for each certificate and each renewal. The balance was divided 50% to the County General Fund and 50% to the Game Protection Fund in the State Treasury.

Act 140 of 1963 provided that, after deducting the 15% allowed the County Clerk, the balance of the fees would be remitted to the Game and Fish Commission.

Act 442 of 1965 transferred the duties of the County Clerks with respect to the registration of motor boats to the State Revenue Department and provided that the 15% of fees retained by the County Clerks should be deposited by the Commissioner of Revenues in the State Treasury for credit to the Constitutional and Fiscal Agencies Fund.

Act 237 of 1975 authorized the present fees of \$2 for a two-year period for a certificate of registration and a \$2 fee for a biennial renewal.

Act 122 of 1987 amended Act 453 of 1959 and provided the following boat registration fees:

	2 years
Vessels less than 16' in length	\$ 4
Vessels over 16' in length	\$ 8
Vessels 26' and over	\$12
Transfers of ownership	\$ 2

It should be noted that Act 122 contains a provision for four-year boat registration. This portion of Act 122 was inconsistent with U.S. Coast Guard regulations, which do not recognize boat registration greater than three years.

Act 517 of 1995 provides that the registration for motor boats shall be valid for 3 years. The act provides for the following registration fees:

	3 years
Vessels less than 16' in length	\$ 6
Vessels 16 feet to less than 26 feet	\$12
Vessels 26 feet or more	\$18

Act 1774 of 2003 defines and includes personal watercrafts for law enforcement purposes and changes the fee distribution. This Act also altered the distribution of fee collections.

### Revenues Generated:

Fiscal Year		
Ending June 30	Amount	%Change
2003	\$ 946,670	20.65
2004	\$ 894,561	(5.50)
2005	\$ 1,045,131	16.83
2006	\$ 1,181,946	13.09
2007	\$ 1,012,417	(14.34)
2008	\$ 1,030,809	1.82
2009	\$ 1,175,208	14.01
2010	\$ 1,058,729	(9.91)
2011	\$ 1,041,686	(1.61)
2012	\$ 1,182,284	13.50
2013	\$ 862,346	(27.06)
2014	\$ 876,956	1.69

### Distribution of Tax:

3% to the Constitutional Officers & State Central Services Fund; remaining 97% to the Boating Safety Account Fund to be distributed as follows:

- 8% to the State Central Services Fund
- 34% to the Game Protection Fund
- 34% to the County Aid Fund
- 24% to the Marine Sanitation Fund

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 27-101-306

## 10.11. PSC - AD VALOREM TAX

The Ad Valorem Tax Fund consists of revenues derived from the Ad Valorem Taxes on inter-county bus lines, inter-county motor freight, airline, water transportation companies and private car companies.

### Rate and Base:

Average statewide rate of Ad Valorem Tax is applied to the taxable value of the property.

### History:

Act 750 of 1973 established the Ad Valorem Tax Fund. Revenues derived from the ad valorem taxes shall be used to reimburse the constitutional and fiscal agencies fund on account of expenditures made by the Local Audit Division of the Legislative Joint Auditing Committee and the appropriate fund of the Tax Division and Assessment Coordination Division of the Public Service Commission. Also any monies remaining about reimbursing the various fund is transferred to the Public School Fund.

Act 1020 of 1975 amended Act 750 of 1973 and provided that excess monies in the Ad Valorem Tax Fund shall be transferred annually to the County Aid Fund and transmitted to the respective county treasures as provided by Act 420 of 1965.

Act 436 of 1997 creates the Assessment Coordination Department and transfers the Assessment Coordination Division of Public Service Commission to the Assessment Coordination Department.

Act 1165 of 2013 requires 80% of fund be distributed to State Central Services Fund, 5% to Public Service Commission Tax Division and 15% to the Assessment Coordination Department, when there are insufficient funds available.

Act 1427 of 2013 creates the Arkansas Port, Intermodal, and Waterway Development Grant Program Fund. Revenues collected from water transportation companies in excess of \$2,500,000 shall be deposited into the fund, for use by the Arkansas Waterways Commission.

Act 1520 of 2013 requires mineral interest to be reappraised annually.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$13,121,882	5.57
2004	\$13,191,238	0.53
2005	\$13,667,510	3.61
2006	\$13,991,333	2.37
2007	\$15,656,076	11.90
2008	\$16,802,994	7.33
2009	\$18,111,520	7.79
2010	\$17,243,057	(4.80)
2011	\$17,966,719	4.20
2012	\$17,065,391	(5.02)
2013	\$18,663,287	9.36
2014	\$19,477,664	4.36

### Distribution of Tax:

Trust Fund

Local Audit Division of Legislative Joint Audit Committee Trust Fund, Tax Division of the Public Service Commission, Assessment Coordination Department and County Aid Fund, Arkansas Port, Intermodal, and Waterway Development Grant Program Fund.

### Administered By:

Public Service Commission

### Cite:

Arkansas Code (1987) 19-5-906, 26-26-1616

## **10.12. PSEUDORABIES CONTROL FEES**

The Pseudorabies Control Fee is collected by the livestock market operator and is remitted monthly to the Department of Finance and Administration. The monies are deposited in the State Treasury as special revenues credited to the Livestock and Poultry Commission Swine Testing Fund.

### **Rate and Base:**

\$1.00 per head on all spent sows and boars sold at livestock markets

### **Exemptions:**

None

### **History:**

Act 1105 of 1991 established the current fee.

### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 702	(3.17)
2004	\$ 696	(0.85)
2005	\$ 477	(31.47)
2006	\$ 115	(75.89)
2007	\$ 105	(8.70)
2008	\$ 19	(81.90)
2009	\$ 55	189.47
2010	\$ 119	116.36
2011	\$ 109	(8.40)
2012	\$ 152	39.45
2013	\$ 36	(76.32)
2014	\$ 27	(25.00)

### **Distribution of Tax:**

Special Revenues

### **Administered By:**

Department of Finance and Administration

### **Cite:**

Arkansas Code (1987) 2-40-1201

## 10.13. QUALITY ASSURANCE FEE

The fee is levied upon nursing facilities. The monies collected are deposited into the Arkansas Medicaid Program Trust Fund. The revenue is utilized to reimburse the state's costs of the provision of long-term care.

### Rate and Base

Determined each month by multiplying patient days as reported by each nursing facility, by a multiplier. The multiplier is to produce an aggregate fee payment equal to six percent (6%) of the annual gross receipts. The multiplier is subject to annual adjustment.

### Exemptions:

None

### History:

Act 635 of 2001 authorized the Quality Assurance Fee.

Act 562 of 2009 levies an assessment fee on hospitals to improve health care access.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	% Change
2003	\$ 45,995,650	22.64
2004	\$ 46,832,560	1.82
2005	\$ 49,540,686	5.78
2006	\$ 54,017,454	9.04
2007	\$ 58,789,078	8.83
2008	\$ 64,756,302	10.15
2009	\$ 58,235,404	(10.07)
2010	\$ 63,867,630	9.67
2011	\$ 65,259,267	2.18
2012	\$ 72,211,066	10.65
2013	\$ 77,704,113	7.61
2014	\$ 76,402,110	(1.68)

### Distribution of Tax:

All revenues derived from the Quality Assurance Fee are deposited into the Arkansas Medicaid Program Trust Fund.

### Administered by:

Department of Human Services

### Cite:

Arkansas Code 20-10-1602

## 10.14. REAL ESTATE TRANSFER TAX

A tax at the rate of \$3.30 for each \$1,000 or fractional part thereof is levied on each deed, instrument or writing by which any lands, tenements or other realty is sold or conveyed to other persons when the consideration exceeds \$100. The seller purchases a documentary stamp evidencing full payment of the tax from the County Revenue Office or the County Recorder of Deeds to be affixed to the instrument before it is recorded, and the Revenue Commissioner transmits the money to the State Treasury.

### Rate and Base:

\$3.30 for each \$1,000 when the consideration exceeds \$100

### Exemptions:

1. Transfers to or from the United States, the State of Arkansas, or any of the instrumentalities, agencies, or political subdivisions thereof;
2. any instrument of writing given solely to secure a debt;
3. any instrument solely for the purpose of correcting or replacing an instrument which has been previously recorded with full payment of tax having been paid at the time of the previous recordation;
4. instrument conveying land sold for delinquent taxes;
5. instruments conveying a leasehold interest in land only;
6. instruments, including timber deeds, which convey or grant the right to remove timber from lands if such instruments grant or convey the right to remove such timber for a period of not to exceed twenty-four (24) months;
7. instruments given by one party in a divorce action as action to the other party to the divorce action as a division of marital property whether by agreement or order of the court;
8. instruments given in any judicial proceeding to enforce any security interest in real estate when the instrument transfers the property to the same person who is seeking to enforce the security interest;
9. instruments given to a secured party in lieu of or to avoid a judicial proceeding to enforce a security interest in real estate;
10. instruments conveying new homes financed by FHA, VA, or USDA if the selling price is \$60,000 or less.
11. instruments incidental to the organization, reorganization, consolidation or liquidation of a corporation.

### History:

The Real Estate Transfer tax was originally imposed by Act 239 of 1969 at the rate of \$1.50 for each \$500 and was paid by the buyer at which time a comparable federal tax was repealed.

Act 275 of 1971 reduced the tax to the present rate of \$1.10 for each \$1,000 and required the tax to be paid by the seller.

Act 754 of 1983 provided for disposition of funds collected as follows:

1. 10% of the remainder, after deducting 3% for the Constitutional and Fiscal Agencies Fund, shall be distributed as special revenues, as follows:
  - a. the first \$25,000 thereof during each fiscal year shall be credited to the "County and Circuit Clerks Continuing Education Fund," which was established in the State Treasury, to be used to defray the expenses of training seminars and other educational projects benefiting county and circuit clerks in the State,
  - b. the remainder of the 10% shall be credited as "special revenues" to the County Aid Fund, to be distributed in the manner provided by the law to the circuit clerk in the county in which the property upon which the tax is paid is situated, to be paid over by the Circuit Clerk to the County General Fund.
2. 90% of the remainder shall be distributed as follows:
  - a. the entire amount collected during each fiscal year, until such tax equals the amount collected during fiscal year 1982-83, shall be credited as "general revenues" to be allocated to the various funds participating in the distribution of general revenues, and shall be used for the purposes set forth in the Revenue Stabilization Law of Arkansas.
  - b. after making the distribution provided above, the remainder shall be credited as "special revenues" to the County Aid Fund to be used for supplementing moneys therein for court reporter salaries and expenses as provided by law. Any amount received over and above this amount shall be deposited into the State Treasury as general revenues.

Act 642 of 1987 exempted instruments conveying new homes financed by FHA or VA if the selling price is \$50,000 or less when sold to first time home buyers.

Act 729 of 1987 levied an additional real estate transfer tax of \$1.10/\$1,000 of consideration. Revenues collected are deposited as "Special Revenues" and are distributed as follows:

80%	to the Ark. Natural & Cultural Resources Grants & Trust Fund
10%	to the Parks & Tourism Fund
10%	to the Natural & Cultural Resources Historic Preservation Fund

Act 1054 of 1993 increases the amount of Real Estate Transfer Tax that is credited to the County and Circuit Clerks Continuing Education Fund from \$25,000 to \$40,000 each fiscal year.

Act 1181 of 1993 increases the real estate transfer tax (\$1.10/\$1,000 of consideration) to \$3.30/\$1,000 of consideration.

Act 383 of 1995 provides that the transfer tax shall be computed on the basis of full consideration for the real estate, and unless asked upon otherwise, the tax is to be paid ½ by seller and ½ by buyer.

Act 788 and 1341 of 1997 amend the distribution of a portion of the Real Estate Transfer Tax.

Act 833 of 1997 exempts homes financed by the VA, FHA, or USDA if the sales price is \$60,000 or less from the Real Estate Transfer Tax.

Act 348 of 2001 increases county and circuit clerk continuing education fund to the first \$60,000 collected by real estate transfer tax.

Act 1086 of 2003 clarifies that transfers of land between partnerships, limited liability companies, or other business entities as a result of a reorganization or merger are exempt from the real estate transfer tax.

Act 260 of 2005 allows title companies to acquire documentary stamps through consignment arrangements with DFA.

Act 793 of 2007 redistributes \$4,500,000 from the \$2.20 portion of the tax to general revenues.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 26,988,896	2.80
2004	\$ 33,377,880	23.67
2005	\$ 38,838,058	16.36
2006	\$ 42,692,626	9.92
2007	\$ 42,396,396	(0.69)
2008	\$ 35,220,012	(16.93)
2009	\$ 24,612,857	(30.12)
2010	\$ 26,275,212	6.75
2011	\$ 23,179,995	(11.78)
2012	\$ 25,748,882	11.08
2013	\$ 30,190,886	17.25
2014	\$ 32,715,275	8.36

(Includes amount credited to County Aid Fund)

**Distribution of Tax:**

\$1.10 of tax--General Revenues consist of the amount collected during the 1982-83 fiscal year (\$2,607,780). During FY2008 and 2009, an additional \$4.5 million was redistributed as General Revenues. Special Revenues consist of the first 10% as follows: \$60,000 to the County and Circuit Clerks Continuing Education Fund; the remaining 10% is credited to the County Aid Fund; after General Revenue receives an amount equal to the 1982-83 collection, the remaining amount is credited to the Administration of Justice Fund for court reporter expenses. Once court reporter expenses are met, any remaining amount shall be credited to the County Aid Fund. \$2.20 of tax is distributed as follows: 80% is credited to the Natural and Cultural Resources Grant and Trust Fund; 10% is credited to the Parks & Tourism Fund; 10% is credited to the Natural and Cultural Resources Historic Preservation Trust Fund.

**Administered by:**

Department of Finance and Administration - Revenue Services Division

**Cite:**

Arkansas Code (1987) 26-60-105 and 15-12-103

## 10.15. RICE ASSESSMENT

The Rice Assessment is collected by the Commissioner of Revenue from the buyer of rice at the first point of sale or when the rice enters into the U.S.D.A. loan program.

### Rate and Base:

1. 1.35 cents per bushel paid by buyer.
2. 1.35 cents per bushel paid by producer.

### Exemptions:

This assessment does not apply to persons who purchase 1,000 bushels or less in any calendar year.

### History:

The Rice Assessment was authorized by Act 75 of 1985 at a rate of 2¢ per bushel from August 1, 1985 to July, 1987, and 3¢ per bushel thereafter.

Act 344 of 1995 provides that in lieu of the assessment provided for in §2-20-507, the Rice Research and Promotion Board may refer to the producers the issue or/and assessment of 1.35 cents per bushel to be paid by the buyer and 1.50 cents per bushel to be paid by the producer. The 1.35 cents per bushel is to be used for rice promotion and market development, and the 1.50 cents per bushel shall be used entirely for rice research.

Act 16 of 1999 levies an assessment of 1.35 cents per bushel to be paid by the buyer at the first point of sale and 1.35 cents to be paid by the producer or rice grown in the state and deletes language referencing a refund procedure.

Act 852 of 2005 requires the Rice Research and Promotion Board to use funds derived from assessments paid by buyers for market development and promotion. The assessment paid by producers is to be used for rice extension and research.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 5,840,923	10.00
2004	\$ 5,732,724	(1.85)
2005	\$ 5,501,544	(4.03)
2006	\$ 6,293,434	14.39
2007	\$ 5,578,717	(11.36)
2008	\$ 5,850,838	4.88
2009	\$ 4,739,620	(18.99)
2010	\$ 5,760,917	21.55
2011	\$ 5,996,894	4.10
2012	\$ 4,725,115	(21.21)
2013	\$ 5,630,898	19.70
2014	\$ 4,358,559	(22.60)

### Distribution of Tax:

Special Revenue for credit to the Arkansas Rice Research and Promotion Board

### Administered by:

Department of Finance and Administration

### Cite:

Arkansas Code (1987) 2-20-507



## 10.16. SOYBEAN ASSESSMENTS

The Soybean Assessment is collected by the Commissioner of Revenues from the buyer of soybeans at the first point of sale and is deducted from the amount paid the producer. The Commissioner of Revenues deposits the moneys in the State Treasury.

### Rate and Base

0.25% of net market price

### Exemptions:

Does not apply to any person who purchases 1,000 bushels or less of soybeans in any calendar year. Any producer may request and receive a refund of the amount deducted from the sale of his soybeans if an application is made within 45 days from the date of sale.

### History:

The Soybean Assessment was authorized by Act 259 of 1971 at the rate of  $\frac{1}{4}\text{¢}$  per bushel on soybeans grown from March 10, 1971 until July 1, 1973 and  $\frac{1}{2}\text{¢}$  per bushel on all soybeans grown thereafter. Act 355 of 1979 increased the assessment to 1¢ per bushel.

Act 102 of 1989 levies an assessment of 2¢ per bushel on all soybeans grown in state.

Act 340 of 1991 provides for an assessment of 0.25% of the net market price of such assessment if approved by a majority of the soybean producers.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 2,654,191	33.05
2004	\$ 3,843,933	44.83
2005	\$ 3,567,964	(7.18)
2006	\$ 2,994,595	(16.07)
2007	\$ 3,568,797	11.92
2008	\$ 4,513,886	26.48
2009	\$ 6,182,201	36.96
2010	\$ 6,327,740	2.35
2011	\$ 5,900,575	(6.75)
2012	\$ 7,128,605	20.81
2013	\$ 9,330,202	30.88
2014	\$ 8,976,122	(3.79)

### Distribution of Tax:

Special Revenues for credit to the Soybean Promotion Board Fund

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 2-20-406

## 10.17. UNCLAIMED PROPERTY

The Uniform Disposition of Unclaimed Property Act, Act 256 of 1979, requires that property abandoned on which there has been no activity or correspondence regarding such for a period of seven years shall be transmitted to the Director of the Department of Finance and Administration or his designee for deposit in the State Treasury.

### Rate and Base:

All property that has been abandoned for a period of seven years.

### Exemptions:

1. The escheat of postal savings and property that has been presumed abandoned or escheated under the law of another state prior to July 1, 1979.
2. Funds distributed from a trust or custodial fund established by a State of Arkansas retirement system.

### History:

Act 256 of 1979 provided that property held by the following institutions in which no activity, correspondence or interest had been expressed, was to be transmitted to the Director of the Finance and Administration Department.

Banking, financial organizations or a business association

1. Purchase of shares or other interest in a financial organization
2. Certified checks or written instruments on which a financial institution is liable
3. Personal property removed from a safe deposit box
4. Unclaimed funds held by life insurance corporations
5. Deposits and refunds held by utilities
6. Undistributed dividends and distributions of business associates
7. Property of institutions held in course of dissolution
8. Property held by fiduciaries
9. Property held by state courts and public officers and agencies
10. Miscellaneous personal property held for another person

Act 256 of 1979 repealed Act 229 of 1949, known as The Abandoned Property Act," which excluded deposits held by banks and banking institutions and did not include funds held by building and loan associations and insurance companies.

Act 780 of 1985 transferred the administration of the Unclaimed Property Law to the State Auditor.

Act 55 of the First Extraordinary Session of 2003 allows transfers from the Unclaimed Property Proceeds Trust Fund be deposited as general revenues available for distribution.

Act 86 of 2013 excludes funds distributed from a trust or custodial fund established by a State of Arkansas retirement system.

## Revenues Generated:

### General Revenues

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 6,000,000	26,950.18
2004	\$14,000,000	133.33
2005	-0-	(100.00)
2006	-0-	-0-
2007	-0-	-0-
2008	-0-	-0-
2009	\$13,712,592	100.00
2010	\$10,000,000	(27.07)
2011	\$ 7,000,000	(30.00)
2012	-0-	(100.00)
2013	\$10,552,945	100.00
2014	\$10,749,336	1.86

## Distribution of Tax:

### General Revenues

### Administered by:

State Auditor

### Cite:

Arkansas Code (1987) 18-28-201 et seq.

## 10.18. WASTE TIRE FEE

A fee of \$2.00 is imposed upon each motor vehicle tire sold at retail and an additional \$3.00 per truck tire. The fee shall be added to the total cost of the tire after all applicable sales taxes have been calculated, and the fee shall be separately stated on the bill of sale. The retailer is allowed to retain 5% of the fee for reimbursement of administrative costs.

Also, there is imposed a fee of \$1.00 per tire on all waste tires imported into the State. The fee shall be paid by the importer to the Department of Finance and Administration.

### Rate and Base:

Retail Tire Fee	\$2.00/Tire
Additional Truck Tire Fee	\$3.00/Tire
Import Waste Tire Fee	\$1.00/Tire
Waste Tire Processing Facility Permit	Not to Exceed \$250 annually

### Exemptions:

1. Sale for Resale
2. Recapped Tires
3. Tires sold as part of the equipment of a new motor vehicle
4. A tire retreading business where fewer than 500 waste tires are held
5. An establishment that in the ordinary course of business, removes tires from motor vehicles and stores fewer than 500 of those tires on the premises
6. A retail business that sells tires and serves as a waste tire collection center if fewer than 500 waste tires are kept on the premises.
7. Imported waste tires are exempt from the \$1.00 fee if the waste tires are being imported to a permitted waste tire processing facility.

### History:

Act 749 of 1991 established the current waste tire fees.

Act 529 of 1993 exempts imported waste tires from the \$1.00 fee if the waste tires are being imported to a permitted waste tire processing facility.

Act 1254 of 1993 reduces the amount which may be retained by a seller of motor vehicle tires from 10% to 7.5%.

Act 1315 of 1995 increased the amount which may be retained by the retailer from 7.5% to 10%.

Act 1292 of 1997 increases the waste tire fee from \$1.50 to \$1.75 per tire. Allows Solid Waste Management Districts to levy fees on the sale of new truck tires if the cost of disposal of used tires exceed \$1.75. The additional fee is not to exceed \$4.00 per tire.

Act 1304 of 2003 defines waste tire sites and increases the fee paid by the consumer to \$2 per new automobile or truck tire and an additional \$3 per truck tire.

Act 1822 of 2005 clarifies the distribution of fees collected for the disposal of waste tires is based on the number of truck tires disposed in the prior calendar year.

## Revenues Generated:

### Waste Tire Grant Fund

Fiscal Year		
Ending June 30	Amount	% Change
2003	\$ 3,686,038	(5.05)
2004	\$ 4,449,055	20.70
2005	\$ 4,432,865	(0.36)
2006	\$ 4,376,658	(1.27)
2007	\$ 4,130,926	(5.61)
2008	\$ 4,365,962	5.69
2009	\$ 4,150,058	(4.95)
2010	\$ 4,308,294	3.81
2011	\$ 4,436,213	2.97
2012	\$ 4,264,845	(3.86)
2013	\$ 4,202,271	(1.47)
2014	\$ 4,412,011	4.99

### Department of Environmental Quality Fee Fund:

Fiscal Year		
Ending June 30	Amount	% Change
2003	\$ 320,428	(4.87)
2004	\$ 386,761	20.70
2005	\$ 383,675	(0.80)
2006	\$ 380,573	(0.81)
2007	\$ 359,206	(5.61)
2008	\$ 377,653	5.14
2009	\$ 360,464	(4.55)
2010	\$ 374,785	3.97
2011	\$ 385,714	2.92
2012	\$ 370,291	(4.00)
2013	\$ 361,936	(2.26)
2014	\$ 376,445	4.01

### District Fee:

Fiscal Year		
Ending June 30	Amount	% Change
2003	\$215,452	7.73
2004	\$582,069	170.16
2005	\$672,871	15.60
2006	\$701,762	4.29
2007	\$665,826	(5.12)
2008	\$727,135	9.21
2009	\$650,225	(10.58)
2010	\$647,031	(0.49)
2011	\$640,053	(1.08)
2012	\$643,512	0.54
2013	\$593,678	(7.74)
2014	\$654,152	10.19

**Distribution of Tax:**

Special Revenues

- 92% Waste Tire Grant Fund
- 8% Department of Environmental Quality Fee Fund

**Administered By:**

Tire Fee: Department of Finance and Administration Revenue Services Division

Processing Facility Permit: Department of Environmental Quality

**Cite:**

Arkansas Code (1987) 8-9-403; 8-9-404

## 10.19. WHEAT ASSESSMENT

The Wheat Assessment is collected by the Commissioner of Revenue from the buyer of wheat at the point of sale or when the wheat enters the USDA loan program.

### Rate and Base:

1¢ per bushel

### Exemptions:

This assessment does not apply to persons who purchase 1000 bushels or less in any calendar year.

### History:

The Wheat Assessment was authorized by Act 283 of 1985 at a rate of ½¢ per bushel. The Wheat Assessment is effective beginning November 1, 1985.

Act 107 of 1995 increased the assessment on each bushel of wheat from ½ cent to 1 cent.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2003	\$ 318,722	(21.98)
2004	\$ 253,360	(20.51)
2005	\$ 287,638	13.53
2006	\$ 86,825	(69.81)
2007	\$ 182,864	110.61
2008	\$ 306,280	67.49
2009	\$ 558,395	82.32
2010	\$ 164,017	(70.63)
2011	\$ 82,273	(49.84)
2012	\$ 396,331	381.73
2013	\$ 167,985	(57.61)
2014	\$ 383,245	128.14

### Distribution of Tax:

Special Revenues for credit to the Arkansas Wheat Promotion board

### Administered by:

Department of Finance and Administration - Revenue Services Division

### Cite:

Arkansas Code (1987) 2-20-606

