



STATE OF ARKANSAS
**Department of Finance
and Administration**

REVENUE LEGAL COUNSEL

P.O. Box 1272 – Room 2380
Little Rock, Arkansas 72203
Phone: (501) 682-7030
Fax: (501) 682-7599
www.arkansas.gov/dfa

June 9, 2022

Ms. Rebecca Miller-Rice, Administrator
Administrative Rules Review Section
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, Arkansas 72201

*Re: Summary of Rules That Have Not Been Filed with the Secretary of State –
Revenue Division of the Department of Finance and Administration*

Ms. Miller-Rice:

Pursuant to your June 3, 2022 request, please find below a summary of the remaining rules that have not yet been filed by the Revenue Division of the Department of Finance and Administration (DFA) for adoption with the Secretary of State by June 1, 2022. As you identified in your request, the rules that are required to be promulgated by Acts 765 and 970 of 2021 have not yet been filed for adoption. An explanation of the Act as well as the status of the Revenue Division's progress in promulgating the required rules is provided below:

Act 765 – This act creates a check off program for contributions to the newly-created Law Enforcement Family Relief Trust Fund. The Fund provides financial assistance to the family of an Arkansas certified law enforcement officer who is either killed in the line of duty or diagnosed with a terminal illness. Taxpayers have the option of contributing part of their state income tax refund to the Fund or donating to the Fund by sending an additional check with their state income tax return. The Fund is for the exclusive use by the Secretary of the Department of Public Safety (DPS). DFA coordinated with DPS on the draft of the new rule for Act 765. The draft rule has been approved by DFA, DPS, and the Governor's Office. DPS completed its public comment period, and the proposed rule was heard by the Administrative Rules Subcommittee on April 20, 2022. The proposed rule was considered by the Subcommittee, but it was referred to DPS for additional revision. DPS has made the requested revisions and forwarded the rule to the Subcommittee with a request for placement on the July agenda for consideration by the Subcommittee. It is anticipated that the rule would be filed with the Secretary of State for adoption in July provided that approval is given by the Subcommittee and the Arkansas Legislative Council (ALC).

Act 970 – This act creates a sales and use tax exemption for sales of water used exclusively in the operation of a poultry farm. To be eligible for the exemption, water consumed must be separately metered from water used for any other purpose. DFA is required to promulgate rules that may establish additional or alternate requirements for the metering of water and which may also require a water utility to obtain a certificate from the taxpayer certifying the taxpayer's eligibility for the exemption. DFA has prepared a draft of a new rule for Act 970, and it has been approved by the

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Secretary of DFA and forwarded to the Governor's Office for review. DFA will begin its public comment period as soon as the Governor's Office completes its review and approval of the rule. Following the public comment period, it is anticipated that the rule would be submitted to the Subcommittee for consideration during the Summer of 2022. Provided that the Subcommittee and ALC approves the rule, it is anticipated that the rule would be filed for adoption in late Summer 2022.

Please do not hesitate to contact me if you have questions.

Best regards,

A handwritten signature in blue ink that reads "Paul M. Gehring". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul M. Gehring
Assistant Commissioner of Revenue
Policy and Legal