

**CASE SUMMARY**  
**SAGE MEADOWS PROPERTY OWNERS ASSOCIATION v. DFA**  
**Craighead County Circuit Court Case No. 16JCV-17-1164**

The Plaintiff, Sage Meadows (“Sage”), is a golf and country club in Jonesboro that sold taxable alcoholic beverages (beer, wine and liquor) during a three year audit period from 2012 through 2014. Sage was responsible for collecting, reporting and remitting sales tax and other supplemental alcoholic beverage taxes to DFA each month on its alcoholic beverage sales. Due to the absence of certain records, DFA’s auditors estimated Sage’s total alcoholic beverage sales for the three year audit period. This resulted in a proposed assessment of sales tax and supplemental alcoholic beverage taxes that was issued to Sage on April 20, 2015. Sage subsequently paid the proposed assessment in full.

Sage filed a Complaint and First Amended Complaint, seeking a refund in the amount of \$33,573.55 of all sales tax, supplemental alcoholic beverage taxes and interest assessed and paid on estimated sales of alcoholic beverages. Sage alleged that the estimated assessment was flawed for a number of reasons and claimed that it had reported and remitted tax on all alcoholic beverages that it sold during the audit period. DFA filed motions to dismiss the Complaint and First Amended Complaint, which were denied by the court at a hearing held on May 15, 2018. DFA filed an Answer to the First Amended Complaint on May 25, 2018. Discovery was subsequently conducted by both parties, including the taking of depositions by both parties on January 17, 2019. The case was set for a bench trial to be held in Jonesboro on March 4, 2019. The trial was cancelled after a settlement agreement was executed by the parties on February 28, 2019. An Order of Conditional Dismissal with Prejudice was entered by the court on March 6, 2019.