



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

**REVENUE LEGAL COUNSEL**

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November 1, 2021

Jessica C. Whittaker, Administrator  
Administrative Rules Review Section  
Bureau of Legislative Research  
One Capitol Mall, 5<sup>th</sup> Floor  
Little Rock, Arkansas 72201

*Re: Act 595 of 2021 – Monthly Rules Report for Revenue Division of the  
Department of Finance and Administration*

Ms. Whittaker:

Please find below the monthly update of the Revenue Division of the Department of Finance and Administration of rules required to be promulgated by Acts 765, 904 and 970 of 2021. 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. DFA has been coordinating with the Department of Public Safety on the draft of a new rule for Act 765, but the proposed rule has not yet been forwarded to the Governor's Office for review.

**Act 904** – This act creates the Philanthropic Investment in Arkansas Kids Program Act, which provides educational scholarship grants for eligible students to attend nonpublic schools. The act provides an income tax credit to individuals or businesses equal to 100% of contributions to scholarship-granting organizations (SGO) that provide the grants. DFA has coordinated with the Division of Elementary and Secondary Education of the Department of Education on a new rule and forms for Act 904, and the rules and forms are being circulated internally within DFA. The draft rule has not yet been forwarded to the Governor's Office for review.

**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

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eligibility for the exemption. DFA has prepared a draft of a new rule for Act 970, and it is being circulated internally within DFA, but has not yet been forwarded to the Governor's Office for review.

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

Best regards,

A handwritten signature in blue ink, reading "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