

**Summary of New Litigation Received**  
**Revenue Legal Counsel, Department of Finance and Administration**

Plaintiff: Alert Alarm Systems, Inc. Attorney: Eugene Sayre  
Defendant: Richard Weiss, Director of DFA Attorney: Michelle Baker  
Court: Sebastian County Circuit Docket #: CV 13-0323  
Relief Sought: Reversal of an administrative decision upholding an assessment of sales and use tax in the approximate amount of \$132,000  
Issue: Whether tax is due on the purchase of tangible personal property installed by the taxpayer in connection with the alarm services it provides  
Case History: Complaint filed in March 2013. Answer filed.  
Current Status: Case is in discovery stage.

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Plaintiff: Lion Oil Company Attorney: Jim Hyden  
Defendant: Richard Weiss Attorney: Todd Evans  
Court: Union County Circuit Docket #: CV 2013-0021-4  
Relief Sought: Reversal of administrative decision upholding an assessment of sales and use tax  
Issue: Whether certain machinery and equipment that the plaintiff uses to remove sulfur from the fuels it produces in its refining process is exempt from sales and use tax as machinery and equipment used in pollution control (to prevent or reduce air or water pollution that would otherwise result from the operation of the facility)  
Case History: Complaint filed on January 22, 2013; served on DFA May 17, 2012  
Current Status: Extension to file answer until after current audit is completed.

**Status of Previously Reported Litigation**  
**Revenue Legal Counsel, Department of Finance and Administration**

Plaintiff:	Theresa Holbrook	Attorney: James A. Streett
Defendant:	Healthport, Inc. Richard Weiss	Attorney: B. J. Walker Attorney: Joel DiPippa
Court:	Pope County Circuit	Docket #: CV 20-10-588
Relief Sought:	Declaratory judgment regarding whether sales tax is due on the charge to a patient for copying and providing paper copies of medical records in preparation for, or in connection with, litigation	
Issue:	Whether the charge for medical records is subject to sales tax as the sale of tangible personal property	
Case History:	Complaint originally filed by Holbrook against Healthport alleging that Healthport illegally collected sales tax on the sales of medical records. Healthport filed a third party complaint against DFA for a declaratory judgment on the issue of the taxability of the sales of the records. Holbrook then amended her complaint to plead a claim for illegal exaction against DFA. DFA filed a motion to dismiss. Holbrook dismissed the claim for illegal exaction, leaving only the declaratory judgment pending against DFA. The circuit ruled held that the charge for the medical records is subject to sales tax. The plaintiff appealed.	
Current Status:	The Arkansas Supreme Court issued a decision on February 12, 2013 holding that the trial court's Rule 54(b) certificate did not comply with the requirements of the rule in order to appeal the legal issue. The dismissal was without prejudice and another order has been signed by the trial court from which the plaintiff will submit a subsequent appeal.	