

# ARKANSAS

## LEGISLATIVE TAX HANDBOOK



# 2024

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

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STATE OF ARKANSAS  
**BUREAU OF  
LEGISLATIVE RESEARCH**

Marty Garrity, Director  
Kevin Anderson, Assistant Director  
for Fiscal Services  
Matthew Miller, Assistant Director  
for Legal Services  
Eric Sanders, Assistant Director  
for Information Technology Services  
Jessica Whittaker, Assistant Director  
for Research Services

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To: MEMBERS OF THE ARKANSAS GENERAL ASSEMBLY

We are pleased to present to you the Arkansas Legislative Tax Handbook, 2024.

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 citizens' questions.

Sincerely,

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

Marty Garrity  
Director  
Bureau of Legislative Research



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# Chapter 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 Secretary of the Department of Finance and Administration and remitted to the State Treasury.

### Rate and Base:

Six and one-half percent (6.5%) on gross receipts

### Exemptions:

Refer to Sales Tax and Compensating Use Tax sections

### 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 provided that an amount not to exceed twenty thousand dollars (\$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 First (1<sup>st</sup>) Extraordinary Session of 1984 increased the state's sales tax to four percent (4%) and also increased the aviation sales tax to four percent (4%).

Act 3 of 1991 increased the State's sales tax to four and one-half percent (4.5%) and also increased the aviation sales tax to four and one-half percent (4.5%).

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

Act 156 of 1997 implemented the initiated Constitutional Amendment 75, which levied an additional one-eighth (1/8) of one percent (1%) sales and use tax upon all taxable sales of property and services subject to the Arkansas gross receipts tax.

Act 924 of 1997 provided 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. As in effect on and after July 1, 2001, all use tax shall be special revenues.

Act 952 of 1999 provided a refund of state sales tax of one hundred percent (100%) for a used plane, and thirty-eight percent (38%) for a new plane, and for purchases, by December 1, 1999, of an airplane to replace one that was destroyed or damaged in which market and retail value reduced at least fifty percent (50%) by a January 1999 storm and was used in the production of food, fiber, or timber. Refund must have been applied for within six (6) months of the purchase.

Act 1492 of 1999 increased the sales tax one-half of one percent (0.5%) as in effect on and after January 1, 2001, upon voter ratification of Constitutional Amendment 79 related to property tax at the November 2000 general election.

Act 107 of the Second (2<sup>nd</sup>) Extraordinary Session of 2003 provided additional revenue to fund the State education system by levying an additional seven-eighths of one percent (0.875%) gross receipts tax.

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

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

### Revenues Generated:

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 8,242,255	3.59
2014	\$ 14,263,650	73.06
2015	\$ 11,347,077	(20.45)
2016	\$ 7,567,492	(33.31)
2017	\$ 7,579,267	0.16
2018	\$ 6,420,370	(15.29)
2019	\$ 10,463,883	62.98
2020	\$ 9,432,159	(9.86)
2021	\$ 10,770,034	14.18
2022	\$ 12,473,075	15.81
2023	\$ 16,732,063	34.15
2024	\$ 14,222,798	(15.00)

### Distribution of Tax:

Special revenues for credit to the Division of Aeronautics Fund

The additional one-eighths of one cent (1/8¢) conservation tax and the one-half of one cent (1/2¢) for property tax relief, as well as the seven-eighths of one cent (7/8¢) for the Educational Adequacy Fund, is deposited as special revenue.

Amendment 101 – one-half of one percent (0.5%) tax deposited to State Highway and Transportation Department Fund, County Aid Fund, and Municipal Aid Fund after required deductions.

### Administered by:

Revenue Division of the Department of Finance and Administration

### 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, specified digital product, or digital code or any taxable service 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 and one-half percent (6.5%) on the sales price on tangible personal property, specified digital products, digital codes, and taxable services 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-eighth of one percent (0.125%).

### Exemptions:

1. Sales of tangible personal property on which the tax under the "Arkansas Gross Receipts Act 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 55 of 1955 exempted ginning of cotton from use tax.
3. Act 141 of 1957 exempted artificial drying of rice from use tax.
4. Act 68 of 1973 exempted agricultural fertilizer and limestone, agricultural chemicals, and vaccines and medicines used to treat livestock and poultry from use tax.
5. Act 449 of 1979 exempted vessels, barges, and towboats of fifty tons load displacement and parts and labor used in their repair and construction from use tax.
6. Act 740 of 1983 created "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.
7. Act 791 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.
8. Act 813 of 1983 created "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.
9. 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.

10. Act 88 of the First (1<sup>st</sup>) Extraordinary Session of 1983 made computer software subject to the use tax.
11. Act 999 of 1985 exempted 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.
12. Act 1068 of 1985 exempted "manufactured homes" from the use tax, if the use tax has been levied upon the materials.
13. Act 48 of 1987 exempted from the use tax purchases of natural gas and electricity by "qualified" steel mills.
14. Act 575 of 1987 amended Act 48 of 1987 to provide that any steel mill which uses fifty percent (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 receipts tax exemption on natural gas and electricity.
15. Act 772 of 1987 reenacted 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.
16. Act 911 of 1987 expanded the use tax exemption on pollution control equipment to include pollution control equipment required by law to be installed by cities and towns.
17. Act 98 and Act 151 of 1993 exempted from the gross receipts tax chemicals, nutrients, and other ingredients used in the production of yeast.
18. Act 820 and Act 987 of 1993 exempted from the sales and use tax construction materials and furnishings used in the initial construction and equipping of a daycare facility.
19. Act 913 of 1993 exempted from the sales and use tax sales to the Fort Smith Clearing House.
20. Act 1001 of 1993 exempted certain dies and molds from the sales and use tax.
21. Act 1024 of 1993 exempted from the sales and use tax the sale of waste fuel used in manufacturing operations.
22. Act 1140 of 1993 exempted from the sales and use tax natural gas that is used as a fuel in the manufacturing of glass.
23. Act 1144 of 1993 exempted from the sales and use tax the sale of food items to nonprofit agencies.
24. Act 1237 of 1993 provided that there is no levy or imposition of the use tax on certain aircraft and railroad cars, parts, and equipment.

25. Act 25 of the Second (2<sup>nd</sup>) Extraordinary Session of 1994 exempted from use tax the sale or lease of railroad rolling stock.
26. Act 387 of 1995 provided 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 five (5) years.
27. Act 499 of 1995 provided that purchases of aircraft needing substantial modification may be held for rental or charter service for two (2) years before tax is due.
28. Act 835 of 1995 exempted from the use tax certain services and parts as it relates to the repair or improvement of buildings.
29. Act 848 of 1995 exempted from the use tax materials and services of refurbishing railroad cars, aircraft, and related parts. The Act also exempted the sale of tangible personal property which becomes part of a railroad part, car, or railroad equipment.
30. Act 1010 of 1995 exempted from the use tax purchases of fire protection equipment and emergency equipment to be used exclusively by volunteer fire departments.
31. Act 1134 of 1995 exempted from the use tax substitute fuel derived from 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.
32. Act 1250 of 1995 provided enterprise zone benefits for governing bodies of municipal airports qualified as a "special target applicant." A "special target applicant" is a governing body of a municipal airport wherein is located a military installation slated for closure, or located within thirty (30) miles of such an installation, provided the installation exceeds thirty thousand (30,000) acres for which the governing body has received a federal grant.
33. Act 1297 of 1995 exempted from the use tax all motor vehicles owned and operated by public vocational-technical schools, technical colleges, and community colleges in the State and used exclusively for training purposes.
34. Act 441 of 1997 exempted repairs to fire protection and emergency equipment, as well as purchases of material for construction and maintenance of volunteer fire departments, from sales and use tax.
35. Act 854 of 1999 exempted 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.
36. Act 1033 of 1999 exempted machinery and equipment used in the agricultural production of grass sod and nursery products.
37. Act 365 of 2003 changed the terminology from "manufactured homes" to "modular homes" for the exemption created by Act 1068 of 1985 that exempted the sales of new modular homes constructed from materials of which the State gross receipts or compensating use tax has been paid.
38. Act 551 of 2003 provided that the gross proceeds in excess of nine thousand one hundred fifty dollars (\$9,150) derived from the sales of truck tractors (Class Five, Six, Seven, or Eight) are exempt. Also provided that the gross proceeds in excess of one thousand dollars (\$1,000) derived from the sales of new or used semi-trailers are exempt.
39. Act 877 of 2005 exempted electricity used for the production of chlorine and other chemicals using a chlor-alkali manufacturing process from sales and use tax.
40. Act 1296 of 2005 amended the Consolidated Incentives Act of 2003 to broaden the types of businesses and programs eligible for tax credits.
41. Act 1693 of 2005 provided 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.
42. Act 87 of 2007 exempted dyed distillate special fuels from use and sales taxes; imposed a new gallonage tax.
43. Act 140 of 2007 amended the use tax exemption law for adaptive medical equipment and durable medical equipment applying to wheelchair lifts and automobile hand control.
44. Act 548 of 2007 exempted from sales and use tax the natural gas and electricity used in the manufacturing of tires.
45. Act 1011 of 2007 clarified the application of taxes on guided fishing trips.
46. Act 1596 of 2007 amended the Consolidated Incentives Act to adapt to a changing economy.
47. Act 767 of 2009 exempted thermal imaging equipment purchased by county government to be used by law enforcement aircraft.
48. Act 941 of 2009 provided a credit or rebate on local sales and use tax paid above two thousand five hundred dollars (\$2,500) on the purchase of a trailer.
49. Act 1176 of 2009 exempted the Arkansas Search Dog Association, Incorporated from payment of sales and use tax.
50. Act 1205 of 2009 exempted the sale of raw products at a farmer's market where the products are produced and sold by the producer.
51. Act 1208 of 2009 clarified that partial replacement of manufacturing machinery and equipment that improves manufacturing efficiency are exempt from the sales and use tax.
52. Act 1274 of 2009 repealed the gross receipts tax on mini warehouses and self-storage rental services.

53. Act 753 of 2011 increased the amount below which sales and use tax is not due, if the total consideration of the sale is less than four thousand dollars (\$4,000) on the purchase of a motor vehicle, trailer, and semi-trailer.
54. Act 754 of 2011 decreased the sales and use tax on natural gas and electricity used by manufacturers.
55. Act 755 of 2011 amended the sales and use tax rate on food and food ingredients to one and three-eighths percent (1.375%).
56. Act 757 of 2011 created a sales tax holiday for clothing, clothing accessories, or equipment, school supplies, school art supplies and school instructional material.
57. Act 824 of 2011 concerned 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.
58. Act 998 of 2011 provided a sales and use tax exemption for the Arkansas Black Hall of Fame Foundation, Incorporated.
59. Act 1058 of 2011 exempted from sales and use tax the gross receipts derived from the sale of Class Six or Seven trucks and semi-trailers.
60. Act 1226 of 2011 exempted a wholesale manufacturer of beer from paying sales and use tax on kegs used to sell beer wholesale.
61. Act 233 of 2013 amended the exemption for certain machinery and equipment used in removing pollutants.
62. Act 1392 of 2013 exempted expendable supplies used for farm machinery from sales and use tax.
63. Act 1401 of 2013 exempted utilities used by grain drying and storage facilities from sales and use tax.
64. Act 1402 of 2013 amended the sales and use tax exemption on new and used timber harvesting machinery, equipment, and related attachments, to exempt the entire purchase price.
65. Act 1414 of 2013 created an exemption from sales and use tax for dental appliances sold to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist.
66. Act 1419 of 2013 exempted nonprofit blood donation organizations from sales and use tax.
67. Act 1441 of 2013 exempted utilities used for qualifying agricultural structures and qualifying aquaculture and horticulture equipment from sales and use tax.
68. Act 300 of the Fiscal Session of 2014 included 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.
69. Act 691 of 2015 provided an exemption for lessees of an intermodal authority in certain circumstances.
70. Act 1125 of 2015 exempted sand and other proppants used to complete a new oil or gas well or to re-complete, redrill, or expand an existing oil or gas well.
71. Act 1126 of 2015 exempted saltwater, drilling fluids, hydraulic fracturing fluids, produced water, pit water, pit mud, and similar materials produced or generated from oil, gas, or other natural resource exploration and development activities from the definition of “solid wastes” use for the determination of sales and use taxes.
72. Act 1182 of 2015 exempted services to incorporate parts into commercial aircraft and exempted sales of aircraft under certain conditions.
73. Act 465 of 2017 phased in an exemption of tax on purchases related to the repair and partial replacement of manufacturing machinery and equipment.
74. Act 595 of 2017 provided for a sales and use tax exemption for the sale of certain aircraft sold by a seller in Arkansas.
75. Act 661 of 2017 amended the eligibility requirements for the sales and use tax exemptions for new motor vehicles purchased either by nonprofit organizations or with Urban Mass Transit Administration Funds and used for transportation under certain programs of the Department of Human Services.
76. Act 665 of 2017 amended the sales and use tax exemption for charitable organizations to eliminate the requirement that the majority of purchasers of items from a charitable organization be motivated to make the purchases mainly for the purpose of making a donation.
77. Act 172 of 2019 included a podiatrist within the definition of “physician” for purposes of the sales tax exemption for durable medical equipment, mobility enhancing equipment, prosthetic devices, and disposable medical supplies prescribed by a physician.
78. Act 840 of 2019 created a sales and use tax exemption for washer-extractors used by a fire department.
79. Act 583 of 2019 exempted from sales and use tax any items withdrawn from a seller’s stock and donated to a nonprofit organization, a public educational institution, a nonprofit church, or a private individual who suffered damage or loss as the result of a natural disaster.
80. Act 634 of 2019 exempted from sales tax the sales at a concession stand by a nonprofit youth athletic organization.
81. Act 944 of 2021 added electronic devices, including without limitation computers, tablets, e-readers, printers, cell phones, and calculators, as items that are exempt from sales and use tax during the sales tax holiday.
82. Act 970 of 2021 exempted the purchase of water from sales and use tax when the water is used exclusively in the operation of a poultry farm.
83. Act 646 of 2023 exempted machinery and equipment purchased for an exempt use and placed in inventory and required that a taxpayer pay sales and use tax if the machinery or equipment is withdrawn from inventory for a non-exempt use.

84. Act 819 of 2023 provided sales and use tax exemptions for data center equipment, data center costs, certain services provided to a data center, and electricity used by a data center and required data centers to submit an application and satisfy certain criteria to be eligible for the sales and use tax exemptions.
85. Act 827 of 2023 exempted services providing for the electronic transmission of a drug prescription directly to a pharmacy or indirectly through a pharmacy software company or pharmacy management system from sales and use tax.
86. Act 534 of 2023 created a sales and use tax exemption for mortality composting devices sold to a person engaged in the commercial production of livestock or poultry.
87. Act 446 of 2023 exempted from sales and use tax sales of tangible personal property at a concession stand operated by a nonprofit youth organization if the people working the concession stand are members of the nonprofit youth organization or volunteers and all of the proceeds go to the nonprofit youth organization.

**History:**

Act 487 of 1949 enacted the compensating or use tax at the rate of two percent (2%).

Act 19 of 1957 increased the rates of the use tax from two percent (2%) to three percent (3%).

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 ..... 1.0%
  - b. From July 1, 1972, through June 30, 1973 ..... 1.5%
  - c. From July 1, 1973, through June 30, 1974 ..... 2.0%
  - d. From July 1, 1974, through Nov. 6, 1983 ..... 3.0%
  - e. From Nov. 7, 1983, through April 30, 1991 ..... 4.0%
  - f. From May 1, 1991, and thereafter ..... 4.5%

Act 260 of 1959 imposed use tax on every used car, unless such tax had already been paid.

Act 449 of 1979 exempted vessels, barges, and towboats of fifty tons load displacement and parts and labor used in their repair and construction from use tax.

Act 146 of 1983 provided 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 First (1<sup>st</sup>) Extraordinary Session of 1983 increased the State’s compensating use tax from three percent (3%) to four percent (4%).

Act 27 of 1987 imposed the gross receipts tax upon interstate phone calls, and required out-of-state vendors who solicit sales within the State to collect the use tax.

Act 395 of 1989 clarified that if the amount of tax paid to another state for personal property used, consumed, distributed, or stored in Arkansas but purchased in that other state is less than the tax that would have been paid in Arkansas, the taxpayer shall pay an amount sufficient to make the total payment equal to what would have been paid under the Arkansas rate.

Act 817 of 1989 broadened 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 Third (3<sup>rd</sup>) Extraordinary Session of 1989 provided 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 one-half percent (1/2%) and imposed the use tax on the sale of all used motor vehicles, trailers, mobile homes, and airplanes.

Act 414 of 1991 exempted gross receipts derived from the rental, sale, and repair of prescription adaptive medical equipment from use tax.

Act 688 of 1991 provided for a penalty of fifty dollars (\$50.00) 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 First (1<sup>st</sup>) Extraordinary Session of 1992 provided that qualified aircraft businesses may qualify for the enterprise zone sales and use tax refund if the company makes an investment of five million dollars (\$5,000,000) or more in constructing or expanding a business facility.

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

Act 1250 of 1993 levied the use tax on machinery, equipment, and materials used or consumed in the manufacturing process to produce or repair replacement dies or molds.

Act 1008 of 1995 provided that if the highway bond issue is approved by the voters, the use tax would increase by one-half of one percent (0.5%).

Act 156 of 1997 implemented the initiated Constitutional Amendment 75, which levied an additional one-eighth (1/8) of one percent (1%) sales and use tax upon all taxable sales of property and services subject to the Arkansas gross receipts tax.

Act 441 of 1997 exempted repairs to fire protection and emergency equipment, as well as purchases of material for construction and maintenance of volunteer fire departments, from sales and use tax.

Act 924 of 1997 provided 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. As in effect on and after July 1, 2001, all use tax shall be special revenues.

Act 951 of 1997 required 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 1348 of 1999 imposed use tax on prepaid telephone calling cards.

Act 1492 of 1999 increased the use tax one-half of one percent (0.5%) as in effect on and after January 1, 2001, upon voter ratification of Constitutional Amendment 79 related to property tax at the November 2000 general election.

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

Act 1279 of 2001 adopted the Uniform Sales and Use Tax Administration Act, which authorized the Department 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 clarified 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 required 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 enabled Arkansas to enter into the Streamlined Sales and Use Tax Agreement with other states.

Act 46 of the Second (2<sup>nd</sup>) Extraordinary Session of 2003 provided for the closure of businesses failing to report and remit sales and use taxes.

Act 107 of the Second (2<sup>nd</sup>) Extraordinary Session of 2003 increased the sales and use tax rate one and seven-eighths percent (0.875%) as in effect on and after March 1, 2004. The additional tax shall be special revenue and credited to the Educational Adequacy Fund.

Act 1879 of 2005 clarified the meaning of telecommunications and preserved current collections from the gross receipts tax, as in effect until contingencies in Act 1273 of 2003 are met.

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

Act 2163 of 2005 provided the administrative provisions of the Streamlined Sales Tax Agreement and allowed Department of Finance and Administration to participate with other states in developing the Streamlined Sales Tax System.

Act 2254 of 2005 amended the sales and use tax laws pertaining to manufactured homes, modular homes, and mobile homes by reducing the tax levied to sixty-two percent (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 reduced the sales and use tax rate on food and food ingredients to two and seven-eighths percent (2.875%).

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

Act 185 of 2007 reduced the use tax rate on natural gas and electricity used or consumed in manufacturing in the state from four and three-eighths percent (3.375%) to three and seven-eighths percent (3.875%).

Act 277 of 2007 prohibited 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 clarified that all taxable services may be purchased tax free as a sale for resale.

Act 368 of 2007 amended 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 allowed the Department of Economic Development to obtain information related to economic development incentives from Department of Finance and Administration.

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

Act 272 of 2009 amended 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 provided consistency with the streamlined sales and use tax agreement clarifying withdrawal from stock is subject to sales and use tax.

Act 436 of 2009 reduced the State sales and use tax rate on food and food ingredients to one and seven-eighths percent (1.875%) as in effect on and after July 1, 2009, seventy-six and six-tenths percent (76.6%) of which is general revenue.

Act 682 of 2009 repealed 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 decreased the excise tax rate on natural gas and electricity used or consumed in manufacturing to three and one-eighths percent (3.125%). If the tax savings reaches twenty-seven million dollars (\$27,000,000) no additional claims will be processed.

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

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

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

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

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

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

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

Act 789 of 2011 allowed Department of Finance and Administration (DFA) 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 made technical corrections to Title 26 of Arkansas Code 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 transferred responsibility to collect sales and use tax to an affiliated person with a referral agreement with a business having sales over ten thousand dollars (\$10,000) in the State.

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

Act 1142 of 2011 required 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 one-half of one percent (0.5%) sales and use tax.

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

Act 1404 of 2013 provided for a refund of taxes in excess of four and seven-eighths percent (4.875%) on partial replacement and repair of machinery and equipment used directly in manufacturing.

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

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

Act 141 of 2017 subjected candy and soft drinks to the full sales and use tax and imposed the full sales and use tax on digital codes and specified digital products, including digital audio works, digital books, and digital audio-visual works.

Act 465 of 2017 phased in an exemption of tax on purchases related to the repair and partial replacement of manufacturing machinery and equipment.

Act 165 of 2019 clarified the application of the sales and use tax to candy and soft drinks by requiring the Director of the Department of Finance and Administration to either publish a list of the items that meet the definition of "candy" or "soft drinks" under the sales and use tax laws or not subject sellers to penalties under the sales and use tax laws if the sellers made a good faith effort to comply with the sales and use tax laws applicable to candy and soft drinks.

Act 772 of 2019 provided a sales and use tax refund for machinery and equipment used to modify, replace, or repair molds and dies used in manufacturing.

Act 822 of 2019 required certain remote sellers, marketplace facilitators, and accommodations intermediaries to collect and remit Arkansas sales and use taxes.

HJR 1018 of 2019, which became Amendment 101 upon voter approval at the 2020 general election, continued the one-half of one percent (0.5%) sales and use tax after the expiration of the temporary tax under Amendment 91.

Act 915 of 2021 expanded the existing reduced rate on sales and use tax within Ark. Code § 26-52-319 regarding utilities used in the manufacturing process to include coal.

Act 944 of 2021 added electronic devices, including without limitation computers, tablets, e-readers, printers, cell phones, and calculators, as items that are exempt from sales and use tax during the sales tax holiday.

Act 970 of 2021 exempted the purchase of water from sales and use tax when the water is used exclusively in the operation of a poultry farm.

Act 1013 of 2021 reduced use tax due on the purchase of used motor vehicles, trailers, or semitrailers if the sales price is at least \$4,000 but less than \$10,000.

Act 646 of 2023 exempted machinery and equipment purchased for an exempt use and placed in inventory and required that a taxpayer pay sales and use tax if the machinery or equipment is withdrawn from inventory for a non-exempt use.

Act 819 of 2023 provided sales and use tax exemptions for data center equipment, data center costs, certain services provided to a data center, and electricity used by a data center and required data centers to submit an application and satisfy certain criteria to be eligible for the sales and use tax exemptions.

Act 351 of 2023 amended the definitions of "manufacturing" and "processing" for purposes of the use tax exemption for machinery and equipment used to retread tires to match the definitions for the equivalent sales tax exemption.

Act 827 of 2023 exempted services providing for the electronic transmission of a drug prescription directly to a pharmacy or indirectly through a pharmacy software company or pharmacy management system from sales and use tax.

Act 534 of 2023 created a sales and use tax exemption for mortality composting devices sold to a person engaged in the commercial production of livestock or poultry.

Act 446 of 2023 exempted from sales and use tax sales of tangible personal property at a concession stand operated by a nonprofit youth organization if the people working the concession stand are members of the nonprofit youth organization or volunteers and all of the proceeds go to the nonprofit youth organization.

### Revenues Generated:

#### General Revenues

General revenues generated from the compensating use tax are combined with the sales tax collections reflected on page 26.

#### Special Revenues

As in effect on and after July 1, 2009, use tax special revenues are consolidated with sales tax special revenues.

#### Distribution of Tax:

General Revenues, except for three percent (3%) of the one percent (1%) use tax for Texarkana are deposited as special revenues credited to the State Central Service Fund. Also, the additional one-eighth cent (1/8¢) conservation tax and the one-half cent (1/2¢) for property tax relief, as well as the seven-eighths cent (7/8¢) for the Educational Adequacy Fund, are deposited as special revenues.

Arkansas Constitution, Amendment 101 – one-half of one percent (0.5%) tax deposited to State Highway and Transportation Department Fund, County Aid Fund, and Municipal Aid Fund after required deductions.

#### Administered by:

Revenue Division of the Department of Finance and Administration

#### Cite:

Arkansas Code (1987) 26-53-101 et seq.

## 1.3. LONG-TERM RENTAL VEHICLE TAX

This tax levy was abolished by Act 146 of 2021. Before that time, and in addition to the gross receipts tax, a long-term rental vehicle tax was levied on the gross receipts or gross proceeds derived from rentals of licensed motor vehicles leased for a period of 30 days or more.

#### Rate and Base:

Zero percent (0%) (expired June 30, 2015)

#### 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 exempted 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 ten percent (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 required long-term rental vehicle tax be paid on each rental and lowered the threshold for expiration of the long-term rental vehicle tax to three percent (3%).

Act 146 of 2021 repealed this tax.

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 713,750	21.49
2014	\$ 2,082,980	191.84
2015	\$ 2,200,842	5.66
2016	\$ 196,108	(91.09)
2017	-0-	(100.00)
2018	-0-	
2019	\$ 2	100.00
2020	\$641	307.34
2021	-0-	(100.00)
2022	-0-	
2023	-0-	
2024	-0-	

#### Distribution of Tax:

General Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-63-304

**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 thirty (30) days.

**Rate and Base:**

Five percent (5%) plus an additional five percent (5%)

**Exemptions:**

1. Diesel trucks leased for commercial shipping.
2. Farm machinery or equipment leased or rented for a commercial purpose.
3. A gasoline-powered or diesel-powered truck leased or rented for residential moving or shipping.

**History:**

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

Act 1059 of 1993 exempted 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 five percent (5%) rate as applied to special revenue and provided that the first two million eight hundred and fifty thousand dollars (\$2,850,00) derived from this tax would be deposited in the Arkansas Public Transit Trust Fund and the rest to the General Education Public School Fund Account for teacher salaries.

Act 664 of 2005 provided the distribution of the five percent (5%) additional vehicle rental tax is seventy-five percent (75%) Public Transit Trust Fund and twenty-five percent (25%) Public School Fund for teacher salaries.

Act 182 of 2007 removed the special excise taxes for rentals and tourism from the gross receipts section of the Arkansas Code and places these special excise taxes in a separate section of the Code in order to provide consistency with the Streamlined Sales and Use Tax Agreement.

**Revenues Generated:**

**General Revenues**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 5,145,644	0.21
2014	\$ 5,231,402	1.67
2015	\$ 5,464,955	4.46
2016	\$ 5,671,397	3.78
2017	\$ 5,935,243	4.65
2018	\$ 6,052,163	1.97
2019	\$ 6,580,367	8.72
2020	\$ 5,864,819	(10.87)
2021	\$ 5,200,166	(11.33)
2022	\$ 7,122,434	36.97
2023	\$ 8,483,691	19.11
2024	\$ 9,597,314	13.13



## Special Revenues

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 5,166,385	0.97
2014	\$ 5,232,702	1.28
2015	\$ 5,459,966	4.34
2016	\$ 5,745,788	5.23
2017	\$ 5,927,610	3.16
2018	\$ 6,052,660	2.11
2019	\$ 6,579,608	8.71
2020	\$ 5,864,852	(10.86)
2021	\$ 5,200,378	(11.33)
2022	\$ 7,350,824	41.35
2023	\$ 8,483,629	15.41
2024	\$ 9,596,110	13.11

### Distribution of Tax:

#### General Revenues

The original five percent (5%) is deposited into the State's General Revenue Account.

#### Special Revenues

The additional five percent (5%) is deposited as special revenue with seventy-five percent (75%) to Arkansas Public Transit Trust Fund and twenty-five percent (25%) to Division of Elementary and Secondary Education Public School Fund Account.

#### Administered by:

Revenue Division of the Department of Finance and Administration

#### Cite:

Arkansas Code (1987) 26-63-302

## 1.5. RESIDENTIAL MOVING TAX

In addition to the gross receipts tax, a tax of four and five-tenths percent (4.5%) is levied upon the short-term rental of gasoline or diesel powered trucks rented or leased for residential moving or shipping and tangible personal property sold in conjunction with such rentals.

#### Rate and Base:

A tax of four and five-tenths percent (4.5%) is levied on the rental or lease of a gasoline or diesel powered truck and 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.

Act 182 of 2007 removed the special excise taxes for rentals and tourism from the gross receipts section of the Arkansas Code and places these special excise taxes in a separate section of the Code in order to provide consistency with the Streamlined Sales and Use Tax Agreement.

#### Revenue Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 546,100	3.80
2014	\$ 605,546	10.89
2015	\$ 726,900	20.04
2016	\$ 765,144	5.26
2017	\$ 688,953	(9.96)
2018	\$ 804,600	16.79
2019	\$ 768,383	(4.50)
2020	\$ 775,208	0.05
2021	\$ 977,942	26.15
2022	\$ 1,080,779	10.52
2023	\$ 1,041,785	(3.61)
2024	\$ 1,018,398	(2.24)

### Distribution of Tax:

General Revenues

#### Administered by:

Revenue Division of the Department of Finance and Administration

#### Cite:

Arkansas Code (1987) 26-63-303

## 1.6. SHORT TERM RENTAL TAX

### Cite:

Arkansas Code (1987) 26-63-301

In addition to the gross receipts and compensating use tax, there is levied a tax of one percent (1%) on all tangible personal property that is rented or leased for a period of thirty (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:

One percent (1%) of gross receipts derived for rentals or leases of tangible personal property for thirty (30) days or less.

### Exemptions:

1. Leases or rentals for thirty (30) days and over;
2. Leases or rentals of diesel trucks for commercial shipping;
3. Rental of farm equipment or machinery for commercial purposes;
4. Motor vehicles and trailers;
5. Leases of tangible personal property subject to the two percent (2%) tourism tax.

### History:

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

Act 1026 of 1991 exempted from the short term rental tax leases of tangible personal property that is subject to the two percent (2%) tourism tax.

Act 182 of 2007 removed the special excise taxes for rentals and tourism from the gross receipts section of the Arkansas Code and places these special excise taxes in a separate section of the Code in order to provide consistency with the Streamlined Sales and Use Tax Agreement.

### Revenue Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 2,503,056	(8.56)
2014	\$ 2,746,051	9.71
2015	\$ 2,728,812	(0.63)
2016	\$ 2,248,562	(17.60)
2017	\$ 3,392,129	50.86
2018	\$ 3,348,765	(1.28)
2019	\$ 2,780,291	(16.98)
2020	\$ 3,034,290	9.14
2021	\$ 3,076,744	1.40
2022	\$ 4,712,450	53.16
2023	\$ 4,606,754	(2.24)
2024	\$ 5,486,084	19.09

### Distribution of Tax:

General Revenues

### Administered by:

Revenue Division of the Department of Finance and Administration

## 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 two percent (2%) of the state and local tax due up to one thousand dollars (\$1,000) per month for state tax and up to three thousand dollars (\$3,000) per month for local tax as a collection fee if the tax is remitted on or before the dates due.

A sales tax holiday is provided for clothing, clothing accessories and equipment, school art supplies, school instructional materials, electronic devices, and school supplies during the first weekend in August.

### Rate and Base:

An excise tax of one-eighth of one percent (0.125%) is levied upon the gross proceeds or gross receipts derived from sales of certain food and food ingredients.

The sale of natural gas and electricity to a manufacturer for use directly in the actual manufacturing process is subject to the excise tax of one-eighth of one percent (0.125%) levied in Arkansas Constitution, Amendment 75, and the temporary excise tax of one-half percent (0.5%) levied in Arkansas Constitution, Amendment 101.

An excise tax of six and one-half of one percent (6.5%) is levied upon the gross proceeds or gross receipts derived from all sales to any person of the following:

1. Tangible personal property, including computer software;
2. Specified digital products sold to an end user;
3. Digital codes;
4. 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;
5. Service by telephone and telegraph companies;
6. Service of furnishing rooms by hotels, apartment hotels, lodging houses, tourist camps or courts, property management companies, and accommodations intermediaries;
7. 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, flooring, 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 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;
8. The service of providing the initial installation, alteration, addition, cleaning, refinishing, replacement, or repair of

nonmechanical, passive, or manually operated components of buildings or other improvements or structures affixed to real estate;

9. Service of cable television, community antenna television, and any and all other distribution of television, video, or radio services with or without the use of wires provided to subscribers or paying customers or users, including all service charges and rental charges, whether for basic service, premium channels, or other special service, and including installation and repair service charges and any other charges having any connection with the providing of these services;
10. A subscription for digital audio-visual work and digital audio work to an end user that does not have the right of permanent use granted by the seller and the use is contingent on continued payments by the purchaser;
11. Printing, overprinting, and photography;
12. Tickets or admissions to athletic events, entertainment or recreational facilities, or other places of amusement;
13. Motor vehicles;
14. Beer, wine, liquor, and/or any intoxicating beverage.
15. Service of providing transportation or delivery of money, property, or valuables by armored car;
16. Service of providing cleaning or janitorial work;
17. Pool cleaning and servicing;
18. Pager services;
19. Telephone answering services;
20. Lawn care and landscaping services;
21. Service of parking a motor vehicle or allowing the motor vehicle to be parked;
22. Service of storing a motor vehicle;
23. Service of storing furs;
24. Service of providing indoor tanning at a tanning salon;
25. 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;
26. Contracts, including service contracts, maintenance agreements and extended warranties, that in whole or in part provide for the future performance of or payment for services that are subject to gross receipts tax;
27. A device used in playing bingo and any charge for admittance to facilities or for the right to play bingo or other games of chance;
28. A prepaid calling service or a prepaid wireless calling service and the recharge of a prepaid calling service or a prepaid wireless calling service;
29. Any intrastate, interstate, and international telecommunications service that is sourced in this state;
30. Wrecker and towing services;
31. Collection and disposal of solid wastes;
32. The cleaning of parking lots and gutters;

33. Dry cleaning and laundry services;
34. Industrial laundry services;
35. Body piercing, tattooing, and electrolysis services;
36. Pest control services;
37. Security and alarm monitoring services;
38. Boat storage and docking fees;
39. The furnishing of camping spaces or trailer spaces at public or privately owned campgrounds, except for federal campgrounds, on less than a month-to-month basis;
40. Locksmith services;
41. Pet grooming and kennel services; and
42. Fishing guide service provided as a part of a guided fishing trip if the fishing guide service is purchased in conjunction with the sale or lease of taxable tangible personal property by the person providing the fishing guide service.

**Exemptions:**

1. Sales by churches;
2. Sales by charitable organizations, except when the organizations may be engaged in business for profit;
3. Sale of food in public schools or college cafeterias;
4. Newspapers;
5. Sales to United States Government;
6. Sale of motor fuel on which the motor fuel tax has been paid;
7. Sales for resale;
8. Sales of advertising space in newspapers/periodicals, billboard advertising services, or on a public transit bus;
9. Isolated sales;
10. Cotton, seed cotton, lint cotton, baled cotton, or cotton seed;
11. Raw farm products;
12. Livestock, poultry, poultry products, and dairy products from a small producer;
13. Sale of foodstuffs to governmental agencies;
14. Sales to charitable hospitals or sanitariums;
15. Sale of second hand and used tangible personal property when traded in as part of a sale of other tangible personal property;
16. Unprocessed crude oil;
17. Sale of school buses to school districts in Arkansas;
18. Sale of baby chicks;
19. Sales to nonprofit orphans' homes or children's homes;
20. Feedstuffs used for livestock;
21. Gross receipts derived from gate admissions at state, district, county, or township fairs or any rodeo;
22. Sale of seed for commercial production of an agricultural product or for seed;
23. Sale of tangible personal property used for repair, replacement, or expansion of existing manufacturing or processing facilities;
24. Sale of motor vehicles to municipalities, counties, State supported colleges and universities, or to public school districts;
25. Sale of motor vehicles and adaptive equipment to disabled veterans;
26. Sale of agricultural fertilizer, limestone, chemicals and vaccines, and medications used in treating livestock and poultry;
27. Sale of tickets to athletic events at universities and colleges;
28. Sales of tickets to athletic events and interscholastic activities at public and private elementary and secondary schools;
29. Sales to the Boy Scouts and Girl Scouts of America;
30. Sale of special fuels sold for consumption by commercial vessels and railroads;
31. Sale of electricity used in manufacturing of aluminum metal;
32. Sale of bagging and tie material for cotton, and twine for tomato crops, and expendable supplies for baling , tying, wrapping, or sealing animal feed products;
33. Sales to the Boys and Girls Club of America;
34. Gross receipts derived from the rental or sale of medical equipment where payment is received through Medicaid, Medicare or other United States government subsidy;
35. Sale on the premises of the Arkansas Veterans' Home;
36. Sales to Poet's Roundtable of Arkansas, 4-H Clubs, Arkansas Future Farmers of America (FFA) Clubs, Arkansas 4-H Foundation, and Arkansas Future Farmers of America Association;
37. Sale of prescription drugs and oxygen;
38. Sale of new motor vehicles to blind veterans;
39. Sales to nonprofit humane societies;
40. Sale of vessels, barges, towboats of at least fifty-ton displacement, and parts and labor used in repair and construction;
41. Sale of aircraft to an out-of-state purchaser;
42. Sales of farm equipment and machinery;
43. Service performed on timepieces received from out-of-state;
44. Sale of tickets by municipalities to amusements, athletic, entertainment, and recreational events;
45. Certain core charges when automobile parts are purchased;
46. Repair and/or maintenance of railroad cars, parts, and equipment from out of state;
47. Dyed distillate special fuel on which the dyed distillate special fuel tax has been paid;
48. Biodiesel fuel;

49. Sales of tangible personal property purchased with instruments issued under the Food Stamp Act of 1964 or the Special Supplemental Nutrition Program for Women, Infants and Children;
50. Parts or other tangible personal property incorporated into or that become a part of commercial jet aircraft components, or commercial jet aircraft subcomponents, and the related services;
51. Sales of tangible personal property, specified digital products, or a digital code specifically exempted from taxation by the Arkansas Compensating Tax Act of 1949;
52. Charges for the transfer of fill material by a business engaged in transporting or delivering fill material;
53. Sales to Habitat for Humanity;
54. The long-term lease, thirty (30) days or more, of commercial trucks used for interstate transportation of goods if the trucks are registered under an international registration plan;
55. Sales to The Salvation Army;
56. Sales to Heifer International, Inc.;
57. Sales of catalysts, chemicals, reagents, and solutions which are consumed or used in producing, manufacturing, fabricating, processing, or finishing articles of commerce at manufacturing or processing plants or facilities in the State of Arkansas and by manufacturing or processing plants or facilities in the state to prevent or reduce air or water pollution or contamination which might otherwise result from the operation of the plant or facility;
58. Fuel packaging materials and related machinery and equipment sold to a person engaged in the business of processing hazardous and nonhazardous waste materials into fuel products;
59. Sales to the Arkansas Symphony Orchestra Society, Inc.;
60. Withdrawals from stock for donations to a National Guard member, emergency service worker, or volunteer providing services to a county which has been declared a disaster area by the Governor;
61. Sales to the Arkansas Black Hall of Fame Foundation, Inc.;
62. Sales at a concession stand operated by a nonprofit youth athletic organization;
63. Sales of property and services to a car wash operator for use in an automatic car wash, a car wash tunnel, or a self-service bay or as part of an ancillary service and sales of ancillary services by a car wash operator;
64. Electricity sold to low-income households;
65. Motor fuel used in municipal buses;
66. The repair or refurbishing of telephone instruments which are sent into this state for repair or refurbishing and then shipped back to the state of origin;
67. Sale of insulin and test strips;
68. Sales of certain motor vehicles purchased by nonprofit organizations;
69. Sales of food and food ingredients to nonprofit agencies for free distribution to the needy;
70. Sales of manufacturing forms;
71. Sales of natural gas used as fuel in the process of manufacturing glass;
72. Sales to the Community Service Clearinghouse, Inc., of Fort Smith;
73. Sales of substitute fuel used in producing, manufacturing, fabricating, assembling, processing, finishing, or packaging of articles of commerce at manufacturing or processing plants or facilities in the State of Arkansas;
74. Sale or lease of railroad rolling stock manufactured for use in transporting persons or property in interstate commerce;
75. Sales of tangible personal property which becomes a recognizable part of a completed structure or improvement to real property and which is purchased for use or consumption in the performance of construction contracts;
76. Sales of gas produced from biomass;
77. Sales of machinery, new and used equipment, and related attachments that are sold to or used by a person engaged primarily in the harvesting of timber;
78. The rental, sale, or repair of durable medical equipment prescribed by a physician, mobility enhancing equipment prescribed by a physician, a prosthetic device prescribed by a physician, and disposable medical supplies prescribed by a physician;
79. Sales of or repair to fire protection equipment and emergency equipment to be owned by and exclusively used by a volunteer fire department;
80. Sales of electricity and natural gas used in the process of manufacturing wall and floor tile by manufacturers of tile;
81. Sales of certain classes of trucks and trailers;
82. Sales of textbooks, library books, and other instructional materials to an Arkansas school district or Arkansas public school that receives state funding or to the State of Arkansas for free distribution;
83. Sales of electricity used for the production of chlorine and other chemicals using a chlor-alkali manufacturing process;
84. Sales of livestock reproduction equipment or livestock reproduction substance;
85. Sales to a qualified museum;
86. Sales of natural gas and electricity used in the manufacturing of tires;
87. Sales of thermal imaging equipment purchased by a county government for use by law enforcement aircraft;
88. Sales to the Arkansas Search Dog Association, Inc.;
89. The sale, lease, or rental of a keg that is used to sell beer at wholesale by a wholesale manufacturer of beer;
90. Sales of a utility used by a grain drying and storage facility;
91. Sales relating to the partial replacement and repair of certain machinery and equipment used in manufacturing and processing;
92. Sales of a dental appliance to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist;

93. Sales to a nonprofit blood donation organization;
94. Sales of a utility used by a qualifying agricultural structure used for a commercial purpose or qualifying aquaculture or horticulture equipment operated for a commercial purpose;
95. Sales of a washer-extractor to a fire department or intergovernmental council of a county;
96. Sales of certain machinery and equipment purchased for an exempt use and placed in inventory;
97. Sales of data center equipment, data center costs, certain services provided to a data center, and electricity used by a data center;
98. Sales to the Disabled American Veterans Organization;
99. Services providing for the electronic transmission of a drug prescription directly to a pharmacy or indirectly through a pharmacy software company or pharmacy management system;
100. Membership dues paid to hunting or fishing clubs;
101. Sales of mortality composting devices; and
102. Concession stand sales of nonprofit youth organization concession stand sales.

Act 791 of 1983 included 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 created “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 expanded 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 First (1<sup>st</sup>) Extraordinary Session of 1983 exempted the first five hundred kilowatt hours (500 kWh) of electricity for residents with household income of twelve thousand dollars (\$12,000) or less.

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

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

Act 492 of 1985 redefined machines “used directly in manufacturing” for purpose of sales and 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. Effective until July 1, 1987.

Act 518 of 1985 exempted 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 provided a seven percent (7%) investment credit against sales or use tax for investments in plant construction or expansion over five million dollars (\$5,000,000). The company must have been doing business in the State for two (2) years and meet certain other requirements as a “distressed industry” qualified by Arkansas Economic Development Commission.

Act 543 of 1985 exempted rentals of specialized motion picture equipment from the gross receipts tax, if they qualify under Act 276 of 1983.

Act 685 of 1985 provided that the enterprise zone law allowed a refund of sales and use tax rather than an exemption.

Act 941 of 1985 exempted the purchase of prescription drugs by “for-profit hospitals” from the sales tax.

Act 1068 of 1985 exempted sale of new custom manufactured homes from the gross receipts tax. Mobile homes are excluded from the exemption.

Act 48 of 1987 exempted from the gross receipts tax purchases of natural gas and electricity by qualified steel mills.

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

Act 416 of 1987 expanded 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 fifty percent (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 receipts tax exemption on natural gas and electricity.

Act 986 of 1987 reenacted exemption for electricity used to manufacture aluminum, sales at the Arkansas Veterans Home, “core charges,” and rental and/or lease of motion picture equipment due to the Arkansas Supreme Court decision in *Recarte vs. State*; the Act also contained 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 exempted from the sales tax food items purchased with food stamps.

Act 753 of 1989 exempted 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 Third (3<sup>rd</sup>) Extraordinary Session of 1989 exempted from the gross receipts tax the repair or manufacture of certain industrial metal rollers.

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

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

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

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

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

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

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

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

Act 820 and Act 987 of 1993 exempted 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 exempted from the sales and use tax sales to the Fort Smith Clearing House.

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

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

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

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

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

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

Act 25 of the Second (2<sup>nd</sup>) Extraordinary Session of 1994 exempted from the sales tax, the sale, or lease of railroad rolling stock.

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

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

Act 387 of 1995 provided 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 five (5) years.

Act 390 of 1995 provided 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 provided that motor vehicle dealers may register and title a vehicle without paying sales tax. This Act also allowed manufactured home dealers to register and title a home without paying sales tax.

Act 504 of 1995 exempted 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 exempted from the sales tax sales of property or services to Habitat for Humanities.

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

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

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

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

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

Act 1013 of 1995 allowed 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 exempted 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 exempted 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 exempted from the sales tax all motor vehicles owned and operated by public vocational-technical schools, technical colleges, and community colleges in the State and used exclusively for training purposes.

Act 1250 of 1995 provided enterprise zone benefits for governing bodies of municipal airports qualified as a "special target applicant."

Act 137 of 1997 provided 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 would 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 provided 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 fifty percent (50%) of cost of attraction) retail stores, private facilities, facilities owned by the State or political subdivisions, and gambling facilities, except facilities where pari-mutuel betting is currently authorized. The credits are as follows: from five hundred thousand dollars (\$500,000) to one million dollars (\$1,000,000) in approved cost ten percent (10%); on facilities over one million dollars (\$1,000,000) a credit of twenty-five percent (25%) of the approved cost over one million dollars (\$1,000,000) is allowed.

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

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

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

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

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

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

Act 919 of 1997 provided 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 five hundred thousand dollars (\$500,000) is spent within six (6) months or one million dollars (\$1,000,000) is spent within twelve (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 exempted 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 provided that new manufactured homes are taxed only on sixty-two percent (62%) of the gross sales price which includes furnishings, fixtures, fees and services. This Act repealed the exemption for the sale of manufactured and mobile homes under ten thousand dollars (\$10,000) and two thousand dollars (\$2,000) respectively, and provided 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 provided 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 thirty-eight percent (38%) of the State sales tax paid on a new home and one hundred percent (100%) of the sales tax paid on a used home.

Act 1222 of 1997 exempted from the sales tax the sale of tangible personal property and services to Heifer Project International, Incorporated.

Act 1232 of 1997 provided that no tax is due if the consideration for a motor vehicle or trailer is less than two thousand five hundred dollars (\$2,500). This Act also allowed 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 forty-five (45) days of selling the old one.

Act 1233 of 1997 amended 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 exempted from the sales tax residential lawn care.

Act 1256 of 1997 excluded district and State fairs and the Four States 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 1266 of 1997 exempted 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 exempted 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 provided that a person who purchases a motor vehicle and the vehicle is destroyed or damaged within one hundred eighty (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 exempted 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 changed the name of the “Manufacturer’s Investment Sales and Use Tax Credit Act” to the “Economic Investment Tax Credit Act,” added additional eligible business types, and provided that a project investment must exceed five



million dollars (\$5,000,000) for a single location or six million dollars (\$6,000,000) for multiple locations.

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

Act 1062 of 1999 limited 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 amended 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 amended 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 exempted the first fifty thousand dollars (\$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 effective until June 30, 2001.

Act 1135 of 1999 amended the Arkansas Tourism Development Act by transferring administration of the program to the Arkansas Department 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 one hundred percent (100%) of the eligible sales tax liability, and allowing a nine-year carry-forward of unused credit.

Act 541 of 2001 extended special incentives for qualified steel manufacturers with new plant investments of a minimum two hundred million dollars (\$200,000,000).

Act 622 of 2001 provided 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 provided equal sales tax treatment to charitable gift shops located in for-profit or nonprofit hospitals.

Act 737 of 2001 amended the Economic Investment Tax Credit Act to benefit defense industry projects with a minimum five million dollar (\$5,000,000) investment and the creation of two hundred fifty (250) fulltime jobs.

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

Act 1065 of 2001 allowed 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 exempted from gross receipts and compensating use tax the natural gas and electricity used to manufacture wall or floor tiles.

Act 1683 of 2001 exempted the sale of packaging materials used for waste materials utilized for fuels from the Arkansas gross receipts and compensating taxes.

Act 365 of 2003 exempted 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 provided that the gross proceeds in excess of nine thousand one hundred fifty dollars (\$9,150) derived from the sales of truck tractors (Class Five, Six, Seven, or Eight) are exempt. Also provided that the gross proceeds in excess of one thousand dollars (\$1,000) derived from the sales of new or used semi-trailers are exempt.

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

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

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

Act 1865 of 2005 provided a sales and use tax exemption for a nonprofit museum acquiring artwork with a fair market value exceeding one hundred million dollars (\$100,000,000).

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

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

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

Act 140 of 2007 amended 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 exempted from sales and use tax the natural gas and electricity used in the manufacturing of tires.

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

Act 941 of 2009 provided a credit or rebate on local sales and use tax paid above two thousand five hundred dollars (\$2,500) on the purchase of a trailer.

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

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

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

Act 753 of 2011 increased the amount below which sales and use tax is not due if the total consideration for the sale is less

than four thousand dollars (\$4,000) on the purchase of a motor vehicle, trailer, and semi-trailer.

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

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

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

Act 824 of 2011 concerned 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 provided a sales and use tax exemption for the Arkansas Black Hall of Fame Foundation, Incorporated.

Act 1058 of 2011 exempted from sales and use tax the gross receipts derived from the sale of Class Six or Seven trucks and semi-trailers.

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

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

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

Act 1401 of 2013 exempted utilities used by grain drying and storage facilities from sales and use tax.

Act 1402 of 2013 amended 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 created 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 exempted nonprofit blood donation organizations from sales and use tax.

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

Act 300 of 2014 included 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.

Act 691 of 2015 provided an exemption for lessees of an intermodal authority in certain circumstances.

Act 1125 of 2015 exempted sand and other proppants used to complete a new oil or gas well or to re-complete, redrill, or expand an existing oil or gas well.

Act 1126 of 2015 exempted saltwater, drilling fluids, hydraulic fracturing fluids, produced water, pit water, pit mud, and similar materials produced or generated from oil, gas, or other natural resource exploration and development activities from

the definition of “solid wastes” use for the determination of sales and use taxes.

Act 1182 of 2015 exempted services to incorporate parts into commercial aircraft and exempted sales of aircraft under certain conditions.

Act 465 of 2017 sunset the retention tax credit and the tax refund for major maintenance and improvement projects, clarified the existing procedure for claiming a refund of tax paid on purchases related to the repair and partial replacement of manufacturing machinery and equipment, and provided an alternative procedure for making such claims. The Act also phased in a sales and use tax exemption for purchases related to the repair and partial replacement of manufacturing machinery and equipment and repealed the Economic Investment Tax Credit Act.

Act 595 of 2017 provided for a sales and use tax exemption for the sale of certain aircraft sold by a seller in Arkansas.

Act 661 of 2017 amended the eligibility requirements for the sales and use tax exemptions for new motor vehicles purchased either by nonprofit organizations or with Urban Mass Transit Administration funds and used for transportation under certain programs of the Department of Human Services.

Act 665 of 2017 amended the sales and use tax exemption for charitable organizations to eliminate the requirement that the majority of purchasers of items from a charitable organization be motivated to make the purchases mainly for the purpose of making a donation.

Act 172 of 2019 included a podiatrist within the definition of “physician” for purposes of the sales tax exemption for durable medical equipment, mobility enhancing equipment, prosthetic devices, and disposable medical supplies prescribed by a physician.

Act 583 of 2019 exempted from sales and use tax any items withdrawn from a seller’s stock and donated to a nonprofit organization, a public educational institution, a nonprofit church, or a private individual who suffered damage or loss as the result of a natural disaster.

Act 634 of 2019 exempted from sales tax the sales at a concession stand by a nonprofit youth athletic organization.

Act 772 of 2019 provided a sales and use tax refund for machinery and equipment used to modify, replace, or repair molds and dies used in manufacturing.

Act 822 of 2019 exempted car wash services from sales tax.

Act 840 of 2019 created a sales and use tax exemption for washer-extractors used by a fire department.

Act 125 of 2021 clarifies that appearance fees of fifty dollars (\$50.00) or less received by a volunteer firefighter are not considered compensation for the purpose of determining whether a fire department is eligible for the sales and use tax exemption for fire protection equipment and emergency equipment for a volunteer fire department.

Act 142 of 2021 removes the weight restriction applicable to the sales and use tax exemption for aircraft that will be based outside of this state.

Act 144 of 2021 clarifies the sales tax exemption that applies to a car wash operator's sale of a car wash and removes extraneous references to digital magazines in the sales tax laws.

Act 277 of 2021 amends the tax levied on the sale of a used motor vehicle, trailer, or semitrailer by extending the period of time in which a consumer may sell and subsequently purchase a new or used motor vehicle, trailer, or semitrailer to sixty (60) days.

Act 705 of 2021 authorizes the expansion of outdoor dining by restaurants without prior approval from the Alcoholic Beverage Control Division and delays the payment of restaurant sales taxes.

Act 776 of 2021 amends the law concerning the confidentiality of tax records to allow for the disclosure of certain information related to sales and use tax credits and rebates to impacted local governments.

Act 807 of 2021 provides that a sale by a charitable organization does not compete with a for-profit business, and is therefore exempt from sales and use tax, when the sales transaction either is not a continuing transaction or is held no more than ten (10) times a year.

Act 873 of 2021 provides an exemption from sales tax for all services by a parent teacher organization that is organized as a 501(c)(3) nonprofit and is affiliated with a public school. By amending the definition of a "special event," the act also exempts from sales tax any fundraising event of a parent teacher organization if the organization sold tickets to the event and the proceeds from the ticket sales are used directly to assist the public school in fulfilling its mission of educating children.

Act 880 of 2021 applies the sales and use tax exemption for sales for resale to items sold for use in printing and provides a definition of "article of commerce" for purposes of the sales tax exemption for certain machinery and equipment.

Act 914 of 2021 provides a sales tax exemption for a public school's purchase of electronic equipment needed to make use of technology-based educational materials and electronic software.

Act 915 of 2021 applies a reduced sales and use tax rate to sales of coal that will be used in manufacturing.

Act 944 of 2021 adds electronic devices, including without limitation computers, tablets, e-readers, printers, cell phones, and calculators, as items that are exempt from sales and use tax during the sales tax holiday.

Act 970 of 2021 exempts the purchase of water from sales and use tax when the water is used exclusively in the operation of a poultry farm. The act also requires the Department of Finance and Administration to promulgate rules to administer the act.

Act 972 of 2021 allows the sales tax exemption for isolated sales to apply to special events.

Act 1013 of 2021 provides for a reduced sales and use tax rate for sales of used motor vehicles, trailers, or semitrailers

that have a sales price of at least four thousand dollars (\$4,000) but less than ten thousand dollars (\$10,000).

Act 1109 of 2021 defined "bullion" and "coin or currency" and exempted the purchase of bullion and coins or currency from sales and use taxes.

Act 646 of 2023 exempted machinery and equipment purchased for an exempt use and placed in inventory and required that a taxpayer pay sales and use tax if the machinery or equipment is withdrawn from inventory for a non-exempt use.

Act 819 of 2023 provided sales and use tax exemptions for data center equipment, data center costs, certain services provided to a data center, and electricity used by a data center and required data centers to submit an application and satisfy certain criteria to be eligible for the sales and use tax exemptions.

Act 827 of 2023 exempted services providing for the electronic transmission of a drug prescription directly to a pharmacy or indirectly through a pharmacy software company or pharmacy management system from sales and use tax.

Act 534 of 2023 created a sales and use tax exemption for mortality composting devices sold to a person engaged in the commercial production of livestock or poultry.

Act 446 of 2023 exempted from sales and use tax sales of tangible personal property at a concession stand operated by a nonprofit youth organization if the people working the concession stand are members of the nonprofit youth organization or volunteers and all of the proceeds go to the nonprofit youth organization.

### **History:**

Act 233 of 1935, also known as the first "Sales Tax Act," 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 as in effect on and after May 1, 1935, until July 1, 1937. The act provided that border city taxes shall be at the same rate as provided by law in such adjoining state no to exceed the Arkansas rate, 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.

Act 154 of 1937, also known as "The Arkansas Retail Sales Tax Law," was enacted and contained about the same provisions as the previous Act since, under Act 233 of 1935, the emergency retail sales tax was to expire in July of 1937.

Act 386 of 1941 enacted the current sales tax law, also known 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.

Act 19 of 1957 increased the rate of the sales tax from two percent (2%) to three percent (3%) which was submitted to referendum at the general election, November 6, 1958, and

approved by a vote of two hundred eleven thousand four hundred ninety (211,490) to eighty-six thousand four hundred eighteen (86,418).

Act 146 of 1983 provided 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 First (1<sup>st</sup>) Extraordinary Session of 1983 increased the sales tax from three percent (3%) to four percent (4%).

Act 88 of the First (1<sup>st</sup>) Extraordinary Session of 1983 levied the sales tax upon the sale of computer software and upon the service, repairing, and maintaining of computer equipment.

Act 7 of 1987 repealed the gross receipts tax exemption on cigarettes.

Act 27 of 1987 imposed the gross receipts tax upon interstate telephone calls and provided for the collection of the sales tax on out-of-state vendors who solicit sales within the State.

Act 188 of 1987 imposed the gross receipts tax upon cable TV services.

Act 191 of 1987 levied a two percent (2%) gross receipts tax until June 30, 1989, on telephones shipped into the State for repair and shipped back to the state of origin. After June 30, 1989, such repair will be exempt from the gross receipts tax.

Act 372 of 1987 required a deposit of two hundred fifty dollars (\$250) for the issuance of a new sales tax permit.

Act 502 of 1987 authorized a tax penalty amnesty period effective from September 1, 1987, to November 30, 1987, on all taxes collected by the Revenue Department.

Act 10 of the First (1<sup>st</sup>) Extraordinary Session of 1987 provided that retailers having net average sales of more than two hundred thousand dollars (\$200,000) per month in the preceding calendar year are required to remit their gross receipts tax in the following manner:

1. Forty percent (40%) of the tax due on monthly average sales on or before the twelfth (12<sup>th</sup>) of each month
2. Forty percent (40%) of the tax due on monthly average sales on or before the twenty-fourth (24<sup>th</sup>) of each month
3. The balances of actual collection for the month are due by the twentieth (20<sup>th</sup>) day of the following month.

Act 13 of the First (1<sup>st</sup>) 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 thirty (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 thirty (30) days or more.

This Act also provided that, as in effect on and after July 1, 1987, until 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 required dealers to collect the sales tax on certain motorized cycles and all-terrain vehicles at the point of sale.

Act 510 of 1989 levied an additional sales tax of four percent (4%) on the short-term rental of motor vehicles. This Act also levied an additional one percent (1%) tax on other short-term rentals, prohibiting a sale for resale exemption on the purchase of rental items.

Act 769 of 1989 expanded 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 Third (3<sup>rd</sup>) Extraordinary Session of 1989 provided 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 one-half of one percent (1/2%) and imposed the sales tax on the sale of all used motor vehicles, trailers, mobile homes, and airplanes.

Act 688 of 1991 provided for a penalty of fifty dollars (\$50.00) 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 First (1<sup>st</sup>) 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 five million dollars (\$5,000,000) or more. The Acts exempted 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 Second (2<sup>nd</sup>) 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 alcoholic beverages.

Act 6 of the Second (2<sup>nd</sup>) Extraordinary Session of 1992 limits the discount for prompt payment of sales tax to one thousand dollars (\$1,000) per month.

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

Act 620 of 1993 eliminated the two hundred fifty dollar (\$250) gross receipts permit and levied a fifty dollar (\$50.00) non-refundable gross receipts tax permit.

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

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

Act 1070 of 1993 permitted local option sales and use taxes be dedicated to a school district under certain conditions.

Act 1250 of 1993 levied the sales tax on machinery, equipment, and materials used or consumed in the manufacturing process used to produce or repair dies or molds.

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

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

Act 358 of 1995 provided 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 provided 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 provided that if the highway bond issue is approved by the voters, the sales tax would increase by one-half of one percent (0.5%).

Act 156 of 1997 implemented the Initiated Constitutional Amendment 75 conservation tax which levied an additional one-eighth (1/8) of one percent (1%) 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: forty-five percent (45%) to the Game Protection Fund; forty-five percent (45%) to the Department of Parks and Tourism Fund Account; nine percent (9%) to the Department of Heritage Fund Account; and one percent (1%) to the Keep Arkansas Beautiful Fund Account.

Act 391 of 1997 provided 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 and it is transferred to the customer.

Act 635 of 1997 provided that retailers with average net sales in excess of two hundred thousand dollars (\$200,000) per month are required to prepay their sales tax. This Act allowed two (2) methods of payment: 1.) Two (2) prepayments each equal to forty percent (40%) of average monthly sales based on previous calendar year. Payments are due the twelfth (12<sup>th</sup>) and twenty-fourth (24<sup>th</sup>) of the reporting month. 2.) One (1) prepayment equal to eighty percent (80%) of the current month's tax liability due on the twenty-fourth (24<sup>th</sup>) of the month with the balance due when report is filed.

Act 1076 of 1997 provided 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. This act provided that service contracts, maintenance agreements, and extended warranties are subject to sales tax and levied a long-term vehicle tax of one and one-half percent (1.5%) for vehicles leased for thirty days or more.

Act 598 of 1999 permitted, but did 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 allowed the Director of the Department of Finance and Administration to notify a sales tax permit holder, with no reported taxable sales within the past twelve (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 twelve-month period.

Act 1062 of 1999 provided 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 twenty percent (20%) tax on bingo admissions, cards, and devices and required 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 modified the definition of "sale" to include the leasing and rental of motor vehicles and trailers, clarified that for leases or rentals for less than thirty (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 thirty (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 provided 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 one-half of one percent (1/2%) as in effect on and after January 1, 2001, upon voter ratification of Constitutional Amendment 79 related to property tax at the November 2000 general election.

Act 907 of 2001 adopted and implemented the Mobile Telecommunications Sourcing Act which applies the gross receipts tax to selected telecommunications services.

Act 1040 of 2001 required Department of Finance and Administration to submit sales and use tax reports to cities and counties listing all businesses remitting taxes for the requesting entity.

Act 1047 of 2001 required 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 amended the gross receipts tax on telecommunication to allow both the taxable and nontaxable communication services billed on a combined basis be attributed to the taxable communications services if the nontaxable services cannot be easily identified.

Act 1279 of 2001 adopted the Uniform Sales and Use Tax Administration Act which authorized the Department 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 clarified 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 required 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 required an insurer to pay sales taxes and certain fees in insurance settlements involving damage to an

automobile as a total loss. The Act made the insurer's failure to pay the taxes and fees an unfair claims settlement practice.

Act 599 of 2003 clarified 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 allowed taxpayers owing an average of less than one hundred dollars (\$100) a month during the previous fiscal year to file quarterly tax returns instead of monthly returns.

Act 665 of 2003 required retailers averaging net sales of two hundred thousand dollars (\$200,000) per month during the preceding calendar year to make prepayment of sales tax by electronic transfer.

Act 747 of 2003 clarified the two percent (2%) prompt payment discount applies to State gross receipts only, not local gross receipts tax.

Act 996 of 2003 allowed members of the National Guard or Reserves ordered to active duty outside this State an additional ninety (90) days, but not more than a year, 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 imposed a penalty for incomplete electronic payments of taxes, licenses, or fees.

Act 1112 of 2003 clarified 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 enabled Arkansas to enter into the Streamlined Sales and Use Tax Agreement with other states.

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

Act 1718 of 2003 clarified 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 of the Second (2<sup>nd</sup>) Extraordinary Session of 2003 clarified the application of sales tax to the sale of textbooks and instructional materials to school districts and public schools within Arkansas.

Act 46 of the Second (2<sup>nd</sup>) Extraordinary Session of 2003 provided for the closure of businesses failing to report and remit sales and use taxes.

Act 107 of the Second (2<sup>nd</sup>) Extraordinary Session of 2003 increased the sales and use tax rate seven-eighths of one percent (0.875%) as in effect on and after March 1, 2004. The additional tax shall be special revenue and credited to the Educational Adequacy Fund. Included within the tax base, as in effect on and after 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 created a triggered reduction of the sales tax on food upon the determination that federal law authorizes the State to collect sales tax from non-nexus sellers, that collection of sales tax would increase general revenue and that those collections equal one hundred fifty percent (150%) of the sales tax collected on food.

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

Act 1693 of 2005 provided 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 clarified 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 changed the effective date of Act 1273 of 2003 to on and after July 1, 2007, which changed Arkansas sales tax laws to be in compliance with the Streamlined Sales Tax Agreement.

Act 2163 of 2005 provided the administrative provisions of the Streamlined Sales Tax Agreement and allowed Department of Finance and Administration to participate with other states in developing the Streamlined Sales Tax System.

Act 110 of 2007 reduced the sales and use tax rate on food and food ingredients to two and seven-eighths percent (2.875%).

Act 116 of 2007 provided 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 provided that no tax is due for a free pass to a recreational event.

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

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

Act 181 of 2007 allowed a refund request on bad debts, repealed the sales tax sourcing rules for florist, and provided sales tax collection relief to sellers in accordance with the Streamlined Sales Tax and Use Tax Agreement.

Act 182 of 2007 provided consistency with the Streamlined Sales and Use Tax agreement and to move the special excise taxes from the Gross Receipts section of the Arkansas Code Annotated.

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

Act 196 of 2007 allowed tax free distributions from Individual Retirement Account (IRA) plans for charitable purposes as adopted in the Federal Internal Revenue Code.

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

Act 277 of 2007 prohibited 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 taxes.

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

Act 368 of 2007 amended 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 allowed the Department of Economic Development to obtain information related to economic development incentives from Department of Finance and Administration.

Act 473 of 2007 allowed counties to levy a sales tax on hotels, motels, restaurants, or similar businesses by ordinance if a municipality within the county levied a similar tax on similar establishments.

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

Act 860 of 2007 amended the sales tax law to provide consistency with the Streamlined Sales and Use Tax Agreement.

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

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

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

Act 272 of 2009 amended 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 provided consistency with Streamlined Sales and Use Tax Agreement clarifying withdrawal from stock is subject to sales and use tax.

Act 436 of 2009 reduced the State sales and use tax rate on food and food ingredients to one and seven-eighths percent (1.875%) as in effect on and after July 1, 2009, seventy-six and six-tenths percent (76.6%) of which is general revenue.

Act 682 of 2009 repealed 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 decreased the excise tax rate on natural gas and electricity used or consumed in manufacturing to three and one-eighths percent (3.125%). If the tax savings reach twenty-seven million dollars (\$27,000,000), no additional claims will be processed.

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

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

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

Act 291 of 2011 amended sales and use tax laws to be consistent with the Streamlined Sales and Use Tax Agreement.

Act 753 of 2011 increased the amount below which sales and use tax is not due, if the total consideration of the sale is less than four thousand dollars (\$4,000) on the purchase of a motor vehicle, trailer, and semi-trailer.

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

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

Act 757 of 2011 created 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 allowed 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 allowed the Department of Finance and Administration (DFA) 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 made 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 transferred responsibility to collect sales and use tax to an affiliated person with a referral agreement with a business entity having sales over ten thousand dollars (\$10,000) in the State.

Act 1047 of 2011 established 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 one-half of one percent (0.5%) sale and use tax.

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

Act 1404 of 2013 provided for a refund of taxes in excess of four and seven-eighths percent (4.875%) on partial replacement and repair of machinery and equipment used directly in manufacturing.

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

Act 1450 of 2013 provided for a reduction to the sales and use tax on food and food ingredients, if certain funds reduce the

impact on general revenue by thirty-five million dollars (\$35,000,000), as compared to the corresponding six-month period.

Act 141 of 2017 removed candy and soft drinks from the definition of “food” and “food ingredients,” which subjects candy and soft drinks to the full sales and use tax, and imposed the full sales and use tax on digital codes and specified digital products, including digital audio works, digital books, and digital audio-visual works. The Act reduced the tax on soft drink syrup and simple syrup, and exempted simple syrup used in preparing tea from the soft drink tax. The Act also amended the amount deposited into the Arkansas Medicaid Program Trust Fund to offset the reduction in revenues from the soft drink tax.

Act 1126 of 2017 modified the law concerning the discount available to taxpayers for prompt submission of sales tax returns and payments.

Act 165 of 2019 clarified the application of the sales and use tax to candy and soft drinks by requiring the Director of the Department of Finance and Administration to either publish a list of the items that meet the definition of “candy” or “soft drinks” under the sales and use tax laws or not subject sellers to penalties under the sales and use tax laws if the sellers made a good faith effort to comply with the sales and use tax laws applicable to candy and soft drinks.

Act 819 of 2019 required the Department of Finance and Administration to submit a biennial report on the effect of exemptions, discounts, credits, and deductions relating to income tax and sales and use tax and required the collection of certain information when a person claims a sales tax exemption for an all-terrain vehicle that will be used exclusively for farm purposes.

Act 822 of 2019 required certain remote sellers, marketplace facilitators, and accommodations intermediaries to collect and remit Arkansas sales and use taxes.

HJR 1018 of 2019, which became Amendment 101 upon voter approval at the 2020 general election, continued the one-half of one percent (0.5%) sales and use tax after the expiration of the temporary tax under Amendment 91.

Act 125 of 2021 clarifies that appearance fees of fifty dollars (\$50.00) or less received by a volunteer firefighter are not considered compensation for the purpose of determining whether a fire department is eligible for the sales and use tax exemption for fire protection equipment and emergency equipment for a volunteer fire department.

Act 142 of 2021 removes the weight restriction applicable to the sales and use tax exemption for aircraft that will be based outside of this state.

Act 144 of 2021 clarifies the sales tax exemption that applies to a car wash operator's sale of a car wash and removes extraneous references to digital magazines in the sales tax laws.

Act 277 of 2021 amends the tax levied on the sale of a used motor vehicle, trailer, or semitrailer by extending the period of time in which a consumer may sell and subsequently

purchase a new or used motor vehicle, trailer, or semitrailer to sixty (60) days.

Act 705 of 2021 authorizes the expansion of outdoor dining by restaurants without prior approval from the Alcoholic Beverage Control Division and delays the payment of restaurant sales taxes.

Act 776 of 2021 amends the law concerning the confidentiality of tax records to allow for the disclosure of certain information related to sales and use tax credits and rebates to impacted local governments.

Act 807 of 2021 provides that a sale by a charitable organization does not compete with a for-profit business, and is therefore exempt from sales and use tax, when the sales transaction either is not a continuing transaction or is held no more than ten (10) times a year.

Act 873 of 2021 provides an exemption from sales tax for all services by a parent teacher organization that is organized as a 501(c)(3) nonprofit and is affiliated with a public school. By amending the definition of a "special event," the act also exempts from sales tax any fundraising event of a parent teacher organization if the organization sold tickets to the event and the proceeds from the ticket sales are used directly to assist the public school in fulfilling its mission of educating children.

Act 880 of 2021 applies the sales and use tax exemption for sales for resale to items sold for use in printing and provides a definition of "article of commerce" for purposes of the sales tax exemption for certain machinery and equipment.

Act 914 of 2021 provides a sales tax exemption for a public school's purchase of electronic equipment needed to make use of technology-based educational materials and electronic software.

Act 915 of 2021 applies a reduced sales and use tax rate to sales of coal that will be used in manufacturing.

Act 944 of 2021 adds electronic devices, including without limitation computers, tablets, e-readers, printers, cell phones, and calculators, as items that are exempt from sales and use tax during the sales tax holiday.

Act 970 of 2021 exempts the purchase of water from sales and use tax when the water is used exclusively in the operation of a poultry farm. The act also requires the Department of Finance and Administration to promulgate rules to administer the act.

Act 972 of 2021 allows the sales tax exemption for isolated sales to apply at special events.

Act 1013 of 2021 provides for a reduced sales and use tax rate for sales of used motor vehicles, trailers, or semitrailers that have a sales price of at least four thousand dollars (\$4,000) but less than ten thousand dollars (\$10,000).

Act 1109 of 2021 defined "bullion" and "coin or currency" and exempted the purchase of bullion and coins or currency from sales and use taxes.

Act 646 of 2023 exempted machinery and equipment purchased for an exempt use and placed in inventory and required that a taxpayer pay sales and use tax if the machinery



or equipment is withdrawn from inventory for a non-exempt use.

Act 819 of 2023 provided sales and use tax exemptions for data center equipment, data center costs, certain services provided to a data center, and electricity used by a data center and required data centers to submit an application and satisfy certain criteria to be eligible for the sales and use tax exemptions.

Act 827 of 2023 exempted services providing for the electronic transmission of a drug prescription directly to a pharmacy or indirectly through a pharmacy software company or pharmacy management system from sales and use tax.

Act 534 of 2023 created a sales and use tax exemption for mortality composting devices sold to a person engaged in the commercial production of livestock or poultry.

Act 446 of 2023 exempted from sales and use tax sales of tangible personal property at a concession stand operated by a nonprofit youth organization if the people working the concession stand are members of the nonprofit youth organization or volunteers and all of the proceeds go to the nonprofit youth organization.

## Revenues Generated:

### General Revenue

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 2,147,310,549	0.91
2014	\$ 2,197,769,893	2.35
2015	\$ 2,224,676,932	1.22
2016	\$ 2,318,563,144	4.22
2017	\$ 2,368,646,434	2.16
2018	\$ 2,448,576,804	3.37
2019	\$ 2,498,275,540	2.03
2020	\$ 2,577,205,678	3.16
2021	\$ 2,921,063,440	13.34
2022	\$ 3,207,288,295	9.80
2023	\$ 3,471,483,507	8.24
2024	\$ 3,533,039,245	1.77

General revenues from sales tax and compensating use tax are reflected separately in Tax Handbooks published before July 1, 2010.

### Special Revenue: Conservation Tax

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 64,241,398	1.21
2014	\$ 66,248,669	3.12
2015	\$ 67,179,860	1.41
2016	\$ 70,050,249	4.27
2017	\$ 71,757,412	2.44
2018	\$ 73,768,956	2.80
2019	\$ 75,561,355	2.43
2020	\$ 79,765,807	5.56
2021	\$ 90,440,826	13.38
2022	\$ 98,845,582	9.29
2023	\$ 107,709,564	8.97
2024	\$ 109,072,452	1.27

### Special Revenue: Property Tax Relief

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 235,940,181	0.88
2014	\$ 242,581,778	2.81
2015	\$ 244,741,401	0.89
2016	\$ 254,838,315	4.13
2017	\$ 260,108,358	2.07
2018	\$ 268,565,973	3.25
2019	\$ 274,560,461	2.23
2020	\$ 283,078,588	3.10
2021	\$ 320,897,789	13.36
2022	\$ 351,029,855	9.39
2023	\$ 380,669,847	8.44
2024	\$ 388,430,861	2.04

### Special Revenue: Educational Adequacy

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 413,732,251	0.82
2014	\$ 425,292,949	2.79
2015	\$ 428,783,850	0.82
2016	\$ 446,501,966	4.13
2017	\$ 456,212,839	2.17
2018	\$ 470,751,019	3.19
2019	\$ 481,428,245	2.27
2020	\$ 495,775,132	2.98
2021	\$ 562,027,169	13.36
2022	\$ 614,425,140	9.32
2023	\$ 666,491,930	8.47
2024	\$ 679,884,231	2.01

### 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. Three percent (3%) of the one percent (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 one-eighth cent (1/8¢) conservation tax and the one-half cent (1/2¢) for property tax relief, as well as the seven-eighths cent (7/8¢) for the Educational Adequacy Fund, is deposited as special revenue.

Amendment 101 – one-half of one percent (0.5%) tax deposited to State Highway and Transportation Department Fund, County Aid Fund and Municipal Aid Fund, after required deductions.

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 26-52-301; 26-52-302; 26-52-304; 26-52-314; 26-52-315, 26-52-316; 26-52-317; 26-52-321; 26-52-401 et seq.; 26-52-503

## 1.8. TWO PERCENT (2%) TOURISM TAX

The tax is levied upon the gross receipts or gross proceeds derived from admissions to tourist attractions or the sale or rental of certain 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 two percent (2%) is levied upon the gross receipts of the following:

- a) 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;
- b) The services of furnishing hotel and motel rooms, lodging houses, condominiums, and tourist camps or courts to transient guests;
- c) Camping fees at public or private campgrounds; and
- d) Rentals of watercraft, boats, motors and related motor equipment, life jackets and cushions, water skis, or oars or paddles.

### Exemptions:

1. Special events of not more than fourteen (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. The sale or rental of tangible personal property or a taxable service by a church or charitable organization;
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, Future Farmers of America (FFA) Clubs, Arkansas 4-H Foundation, Arkansas FFA Foundation, and Arkansas Division of the Future Farmers of America; and
6. Camping fees to federal campgrounds.

### History:

Act 38 of 1989, also known as the "Tourism Tax," was authorized by at a rate of two percent (2%).

Act 1026 of 1991 provided that sales that are subject to the two percent (2%) tourism tax shall not be subject to the one percent (1%) short term rental tax.

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

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

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

Act 822 of 2019 required an accommodations intermediary to collect and remit the tourism tax due on arrangements the accommodations intermediary makes for the sale or use of an accommodation.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 12,723,244	1.75
2014	\$ 13,092,045	2.90
2015	\$ 14,264,013	8.95
2016	\$ 15,244,688	6.88
2017	\$ 15,875,394	4.14
2018	\$ 16,301,194	2.68
2019	\$ 16,989,834	4.22
2020	\$ 15,886,940	(6.49)
2021	\$ 16,776,573	5.60
2022	\$ 22,984,331	37.00
2023	\$ 25,217,027	9.71
2024	\$ 26,425,526	4.79

### Distribution of Tax:

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

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 26-63-401 et seq.

## 1.9. DYED DISTILLATE GALLONAGE TAX

An excise tax on all dyed distillate special fuel sold, used, or utilized in this state for off-road purposes.

### Rate and Base:

Six cents (6¢) per gallon

### Exemptions:

If the dyed distillate special fuel contains biodiesel fuel, the excise tax in this subsection is levied only on the portion of the fuel that is not biodiesel fuel.

The excise tax does not apply to dyed distillate special fuel sold for consumption by vessels, barges, and other commercial watercraft; railroads; and municipal buses or to dyed distillate special fuel sold to the United States Government.

### History:

Act 87 of 2007 imposed 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
2013	\$ 13,015,117	8.81
2014	\$ 12,699,126	(2.43)
2015	\$ 12,271,681	(3.37)
2016	\$ 11,821,714	(3.67)
2017	\$ 11,453,445	(3.12)
2018	\$ 8,194,397	(28.45)
2019	\$ 8,152,754	(0.51)
2020	\$ 8,417,335	3.25
2021	\$ 8,270,700	(1.71)
2022	\$ 8,262,680	(0.10)
2023	\$ 9,016,984	9.13
2024	\$ 8,699,266	(3.52)

#### Special Revenue: Educational Adequacy

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 1,949,333	(16.20)
2014	\$ 1,875,422	(3.79)
2015	\$ 1,792,547	(4.42)
2016	\$ 1,709,194	(4.65)
2017	\$ 1,650,726	(3.42)
2018	\$ 1,587,265	(3.84)
2019	\$ 1,584,509	(0.17)
2020	\$ 1,633,700	3.10
2021	\$ 1,608,791	(1.52)
2022	\$ 1,607,231	(0.10)
2023	\$ 1,753,107	9.08
2024	\$ 1,691,078	(3.54)

#### Special Revenue: Property Tax Relief Fund

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 1,108,455	(16.45)
2014	\$ 1,066,417	(3.79)
2015	\$ 1,022,603	(4.11)
2016	\$ 975,052	(4.65)
2017	\$ 941,698	(3.48)
2018	\$ 905,495	(3.84)
2019	\$ 903,915	(1.74)
2020	\$ 931,976	3.10
2021	\$ 917,767	(1.52)
2022	\$ 916,877	(0.10)
2023	\$ 1,000,094	9.08
2024	\$ 964,709	(3.54)

#### Distribution of Tax:

General revenue to receive seventy-six and six-tenths percent (76.6%) of collections

Special revenue for credit to the Property Tax Relief Fund, eight and five-tenths percent (8.5%) and Educational Adequacy Fund, fourteen and nine-tenths percent (14.9%)

#### Administered by:

Revenue Division of the Department of Finance and Administration

#### Cite:

Arkansas Code (1987) 26-56-224

## Chapter 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 three thousand dollars (\$3,000) of net income ..... 1.0%
2. On the next three thousand dollars (\$3,000) of net income ..... 2.0%
3. On the next five thousand dollars (\$5,000) of net income ..... 3.0%
4. On net income exceeding eleven thousand dollars (\$11,000)..... 4.3%

#### 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. Income from domestic corporations when earned from sources without the state.
4. Dividends received by a corporation from a subsidiary if at least eighty percent (80%) of the subsidiary's capital stock is owned by such corporation.
5. By adoption of Sections 1501 through 1505 of the Federal Internal Revenue Code of 1954, as amended, corporations were permitted to file consolidated returns.
6. Income derived from the operation of any business or commercial enterprise or the sale, rental, or other disposition of any property used by a church in its operation of a business or commercial enterprise in this state is exempt if the income is reinvested in similar property.
7. A qualified windmill blade manufacturer and a qualified windmill blade or windmill component manufacturer.
8. A qualified drop-in biofuels manufacturer.
9. The following organizations shall be 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. Domestic life and disability insurance companies and foreign insurance companies;

- c. Cemetery corporations;
- 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. Civic leagues or organizations not organized for profit but operated exclusively for the promotion of social welfare;
- f. Farmers or other mutual hail, cyclone, or fire insurance companies, mutual ditch or irrigation companies, or other domestic insurance companies writing lines of insurance, 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 the organization consists solely of assessments, dues and fees collected from members for the sole purpose of meeting losses and expenses;
- g. 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;
- h. Labor, agricultural, or horticultural organizations, no part of the net earnings of which inures to the benefit of any private stockholder or member;
- i. Corporations, trusts, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, 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 shareholder or individual, no substantial part of the activities of which is carrying on propaganda or otherwise attempting to influence legislation, and which does not participate in, or intervene in, including the publishing or distributing of statements, any political campaign on behalf of or in opposition to any candidate for public office; and
- j. A political organization that does not have political organization taxable income for the tax year under 26 U.S.C § 527, as in effect on and after January 1, 2009.

Act 149 of 1965 exempted income derived from investments made by nonprofit organizations where such investment is for the sole purpose of providing pension and annuity benefits for members of the nonprofit organization.

Act 51 of 1983 provided 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 provided a tax credit of one hundred dollars (\$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 created “enterprise zones” in which qualifying businesses would be entitled to a two thousand dollar (\$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 adopted Federal Accelerated Cost Recovery System Depreciation for three- and five-year property as in effect on and after January 1, 1983, and on and after January 1, 1984, and also adopted federal depletion allowance of the Internal Revenue Code.

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

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

Acts 469 and 759 of 1985 provided an income tax credit in the amount of thirty-three percent (33%) of the cost of donated machinery or thirty-three percent (33%) of the amount by which the cost is reduced for machinery sold below cost for donation or sale below cost of new machinery or equipment to educational institutions.

Act 848 of 1985 provided phase-in of capital gains exclusion. As in effect on and after January 1, 1987, ten percent (10%); as in effect on and after January 1, 1988, thirty percent (30%); as in effect on and after January 1, 1989, sixty percent (60%).

Acts 24 and 30 of the First (1<sup>st</sup>) Extraordinary Session of 1985 provided a thirty-three percent (33%) credit for contribution made to public and private colleges and universities in Arkansas. The credit could not exceed ten percent (10%) of the corporation’s total adjusted gross income, or one thousand dollars (\$1,000), whichever was less. The credit was in effect until January 1, 1987.

Act 26 of the First (1<sup>st</sup>) Extraordinary Session of 1985 amended Act 417 of 1985 by limiting the credit to fifty percent (50%) of the cost of construction or restoration of a water impoundment of at least twenty (20) acre-feet, and limited the amount of credit to no more than three thousand dollars (\$3,000) for no more than ten (10) years.

Act 35 of 1987 postponed until January 1, 1989, the phase-in exclusion of capital gains.

Act 48 of 1987 provided qualified steel mills an extension from three (3) years to ten (10) years of the carry-forward of net operating loss, and an extension from two (2) years to ten (10) years of the carry-forward of the income tax credit provided by the enterprise zone law.

Act 382 of 1987 adopted general provisions of the federal income tax law and eliminated many of the differences previously existing in the Arkansas income tax law, and increased the personal tax credits for dependents and taxpayers to twenty dollars (\$20.00). The provisions are as in effect on and after January 1, 1987.

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

Act 575 of 1987 allowed steel manufacturers who consume more than fifty percent (50%) electricity and/or more than fifty

percent (50%) natural gas in the manufacture of steel to qualify for tax preferences under Act 48 of 1987.

Act 1033 of 1987 exempted domestic life and disability insurance companies from the State income tax.

Act 462 of 1989, also known as the “Enterprise Zone Act of 1989,” defined 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 provided 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 provided a two thousand dollar (\$2,000) income tax credit per net new employee. This Act also provided 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 provided 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 provided that net operating loss which results from farming operations and were not fully used may be carried forward an additional two (2) years.

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

Act 826 of 1989, also known as 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 two hundred fifty dollars (\$250).

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

Act 910 of 1989 provided a special installment deferral of up to fifteen (15) years at an interest rate of four percent (4%) for the payment of Arkansas estate tax for certain qualifying businesses.

Act 933 of 1989 provided for the implementation of preferential tax treatment for capital gains as in effect on and after January 1, 1991. This Act also contained a provision that would implement the special capital gains treatment prior to January 1, 1991, if such a law is enacted by Congress.

Act 136 and 137 of 1991 provided that a qualified steel manufacturer may carry forward a net operating loss for a total of ten (10) years.

Act 333 of 1991 extended until December 31, 1994, the time during which purchasers of common stock of a capital development corporation may claim an income tax credit.

Act 685 of 1991 adopted 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 reflected a new effective date of January 1, 1991, for the implementation of Internal Revenue Code Section 163 which provided that corporations may not deduct interest paid to a related party outside the United States.

Act 687 of 1991 provided 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 provided an income tax credit of thirty percent (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 First (1<sup>st</sup>) Extraordinary Session of 1992 provided that a qualified aircraft company may claim an income tax credit of two thousand dollars (\$2,000) per net new employee if the company employs at least fifty (50) net new employees within sixty (60) months of receiving certification.

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

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

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

Act 785 of 1993 amended various sections of the Arkansas Code Annotated pertaining to corporate income tax.

Act 820 and 987 of 1993 provided with businesses an income tax credit of three and nine-tenths percent (3.9%) of the salaries of employees employed exclusively in providing daycare services.

Act 848 of 1993 provided 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 liabilities exceeding twenty thousand dollars (\$20,000).

Act 942 of 1993 required 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 to be assessed a fee of three percent (3%) of the total credit with an not to exceed one hundred fifty dollars (\$150). The fee is payable to the Soil and Water Conservation Commission.

Act 947 of 1993 enacted 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 specified the allocation and apportionment rules for income of financial institutions with taxable business activity in Arkansas.

Act 560 of 1995 adopted Internal Revenue Code sections 126 and 175, which relate to exclusions and deductions for soil and water conservation programs.

Act 561 of 1995 allowed an income tax credit for a maximum of five thousand dollars (\$5,000) per year for cost of projects to restore wetlands and riparian zones. Projects must be approved by the Soil and Water Commission.

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

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

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

Act 831 of 1995, also known as the “Arkansas Economic Development Act of 1995,” was similar to the Enterprise Zone Program, in that it offered 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 amended the County & Regional Industrial Development Act to extend to be in effect on and after January 1, 1996, until December 31, 1999, the time in which to take an income tax credit for purchasing common stock in a qualified corporation.

Act 1103 of 1995 allowed an income tax credit to taxpayers who employ a “youth apprentice” through a federally-approved program. Credit is equal to the lesser of two thousand dollars (\$2,000) or ten percent (10%) of the apprentice’s annual wages.

Act 1160 of 1995 adopted various Internal Revenue Code sections for Arkansas income tax purposes.

Act 1224 of 1995 provided that upon the approval of the voters, the Soil and Water Commission or Arkansas Development Finance Authority is authorized to issue general obligation bonds which are tax exempt.

Act 1250 of 1995 provided enterprise zone benefits for governing bodies of municipal airports qualified as a “special target applicant.” A “special target applicant” is a governing body of a municipal airport wherein is located a military installation slated for closure, or located within thirty (30) miles of such an installation, provided the installation exceeds thirty thousand (30,000) acres for which the governing body has received a federal grant.

Act 521 of 1997 allowed 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 authorized 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 authorized the Soil and Water Commission to issue up to three hundred million dollars (\$300,000,000) in general obligation bonds. Interest from the bonds is exempt from income tax.

Act 883 of 1997 provided 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 on and after January 1, 1998.
2. The business is a domestic corporation with total capitalization of less than one hundred million dollars (\$100,000,000) and with less than ten percent (10%) of its assets held in real estate.
3. The stock must be held at least five (5) years. Stocks held for five (5) years created a fifty percent (50%) deduction with the deduction increasing to one hundred percent (100%) for stock held for ten (10) years.

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

1. Credit equal to five percent (5%) of the cost (excluding undeveloped land) of construction or purchasing a "Biotechnology facility."
2. Credit equal to thirty percent (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 twenty percent (20%) of certain biotechnology research cost. Unused credits may be carried forward for nine (9) years.

Act 1168 of 1997 allowed 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 two (2) years.

Act 1189 of 1997 provided that a parent corporation may exclude from income dividends from a subsidiary if the parent corporation owns at least eighty percent (80%) of the subsidiary's stock.

Act 1331 of 1997 allowed 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 thirty percent (30%) of the total investment and may be carried forward for five (5) years. The total amount of tax credit available for any tax year is limited to seven hundred fifty thousand dollars (\$750,000) per calendar year.

Act 1332 of 1997 allowed an income or premium tax credit equal to twenty percent (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 five (5) years. The total amount of tax credits available for any tax year is limited to two hundred fifty dollars (\$250,000) per calendar year.

Act 575 of 1999 adjusted 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 one hundred twenty-

five percent (125%) of the State or county average. Credit may be used against one hundred percent (100%) of the employer's tax liability if the average wage is at least one hundred seventy-five percent (175%) of the State or county average. The Arkansas Department of Economic Development may negotiate use of the credit against one hundred percent (100%) of state income tax liability if the employer is in a high unemployment area.

Act 765 of 1999 amended the Water Resource Conservation and Development Incentives Act by increasing the annual income tax credit for surface water conversion in critical areas to two hundred thousand dollars (\$200,000) for projects using water for industrial or commercial purposes. The Act increased the total amount of tax credits available under the Act to ten million dollars (\$10,000,000) in any calendar year and provided that the tax credit shall expire in the year following the year in which the total tax credits exceed ten million dollars (\$10,000,000).

Act 976 of 1999 provided 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 provided that the credit shall be equal to fifty percent (50%) of the costs to construct the facility.

Act 1005 of 1999 repealed the six percent (6%) income tax rate on capital gains and in lieu thereof provided that thirty percent (30%) of all capital gains shall be exempt from State income tax.

Act 1036 of 1999 established an income tax credit to certain employers in an amount equal to thirty percent (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 twenty-five percent (25%) of the business' income tax liability in any year.

Act 1130 of 1999 amended the Arkansas Enterprise Zone Act of 1993. The Act increased maximum income tax credit per net new employee from two thousand dollars (\$2,000) to three thousand dollars (\$3,000); credit may be increased to six thousand (\$6,000) per employee in high unemployment areas. This Act also removed the ability to decertify a non-complying company.

Act 1134 of 1999 amended 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 fifty percent (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 four hundred fifty thousand dollars (\$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 made various changes to the Arkansas Tourism Development Act, including the addition of an income tax credit of up to three thousand dollars (\$3,000) per net new employee and six thousand dollars (\$6,000) for high unemployment areas.

Act 1217 of 1999, also known as the “Family Savings Initiative Act,” created a tax credit, limited to the lesser of twenty-five thousand dollars (\$25,000) or the tax due, with a three (3) year carryover for fifty percent (50%) of contributions to a designated fiduciary organization for use as matching funds for "Individual Development Accounts." Taxpayers receive certification from the Department of Human Services. Calendar year credits certified cannot exceed one hundred thousand dollars (\$100,000).

Act 1283 of 1999 provided 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 ninety percent (90%) of its assets comprised of investment securities plus office equipment. Only income derived from dividends, interest, or gains and losses 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, also known as the “Arkansas Public Roads Improvements Credit Act,” created a tax credit, limited to fifty percent (50%) of the tax liability with a three (3) year carryover, for thirty-three percent (33%) of contributions to the Public Roads Incentive Fund for projects.

Act 1367 of 1999 amended 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 thirty (30%) of the cost of buildings, equipment, and licensing fees. The credit is applicable to the first fifty thousand dollars (\$50,000) in income tax liability plus fifty percent (50%) of the remaining tax liability per year. Unused credit may be carried forward for nine (9) years.

Act 773 of 2001 made technical corrections amending various State corporate tax provisions to adopt recent changes in the Internal Revenue 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 amended the Arkansas Economic Development Act to define and redefine terms, make technical corrections on hourly wage computations, and allowed credits for investment instead of debt.

Act 982 of 2001 exempted 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 amended 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 (6) to fourteen (14) years.

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

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

Act 182 of 2003 provided 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 clarified allocation and apportionment of taxable income pursuant to the Uniform Division of Income for Tax Purposes Act.

Act 1286 of 2003 clarified interest deductions and expenses paid to a related party.

Act 1287 of 2003 provided income tax credits for the suppliers of biodiesel fuel.

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

Act 1759 of 2005 amended the Arkansas Capital Development Company Act to extend the period for purchasing an equity interest resulting in a tax credit effective until December 31, 2015, and limits the amount of tax credits authorized annually to five million dollars (\$5,000,000), but Department of Finance and Administration may authorize additional cumulative tax credits not to exceed one million two hundred fifty thousand dollars (\$1,250,000) per calendar year when specified State fiscal related requirements are met.

Act 2235 of 2005 required private employers provide an unpaid leave of absence for employees for testing, donation, and recovery from organ donation and provided an income tax credit for employers who provide paid leave for employees equal to twenty-five percent (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 created the Arkansas rice straw tax credit program to provide an income tax credit for end use purchases of rice straw up to fifty percent (50%).

Act 990 of 2007 provided a limited income tax exemption for qualified windmill blade manufacturers.

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

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

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

Act 791 of 2011 amended the Arkansas Code Annotated to clarify the provisions concerning the salt water disposal system tax credits extend to natural gas producers.



Act 829 of 2011 amended 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 extended the Arkansas Historic Rehabilitation Income Tax Credit Act until December 31, 2021.

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

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

Act 864 of 2015 exempted out-of-state businesses and their employees from paying income taxes on work or services performed during a declared State disaster or emergency during a disaster response period.

Act 891 of 2015 exempted payments from agricultural disaster services from income tax.

Act 95 of the Fiscal Session of 2020 exempted from income tax payments made under the U.S. Market Facilitation Program or Coronavirus Aid, Relief, and Economic Security Act.

### History:

Act 118 of 1929, known as "Income Tax Act of 1929", enacted corporation income tax 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 ..... 1.0%
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 ..... 4.0%
5. On all net income in excess of \$25,000 ..... 5.0%

Act 392 of 1969 established the following rates:

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 all net income in excess of \$25,000 ..... 6.0%

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, provided that corporations apply in that period and pay within twelve months.

Act 1040 of 1987 required churches to pay income tax on income derived from "business activities."

Act 48 of the First (1<sup>st</sup>) Extraordinary Session of 1987 included "annuities" in the definition of "gross income."

Act 1052 of 1991 increased the corporate income tax rate from six percent (6%) to a flat six and one-half percent (6.5%) on corporations with net income in excess of one hundred thousand dollars (\$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. Income between twenty-five thousand dollars (\$25,000) and one hundred thousand dollars (\$100,000) will be taxed at a rate of six percent (6%) if total income does not exceed one hundred thousand dollars (\$100,000).

Act 621 of 1993 provided for a fifty dollar (\$50.00) 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 1147 of 1993 defined tax-exempt organizations and created the Non-Profit Corporation Act of 1993.

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

Act 951 of 1997 readopted a number Internal Revenue Code status as in effect on and after January 1, 1997, in order to have Arkansas income tax credits and deductions mirror federal law.

Act 1147 of 1993 defined tax-exempt organizations and created the Non-Profit Corporation Act of 1993.

Act 1050 of 1999 amended 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 amended various State income tax provisions to adopt recent changes to the Internal Revenue Code.

Act 1132 of 1999 required payroll service providers with at least one hundred (100) Arkansas customers to remit withholding tax by electronic fund transfer as in effect on and after January 1, 2001.

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

Act 413 of 2001 established that the Division of Child Care and Childhood Education shall provide a list of all certified child care facilities to Department of Finance and Administration for income tax credit purposes.

Act 899 of 2001 amended the Arkansas Tourism Development Act to add a definition of high unemployment, remove the requirement that twenty-five percent (25%) of visitors be from out-of-state and clarify income tax credits in high unemployment counties.

Act 900 of 2001 defined cost as incurring after certification by Arkansas Department for Economic Development for eligibility, to extend the carry-forward of income tax credits earned from nine (9) to fourteen (14) years by biotechnology or advanced biofuels companies; addresses the payback of credits if company closes.

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

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

Act 965 of 2003 created consistency with federal laws concerning taxation by limited liability corporations and partnerships.

Act 38 of the First (1<sup>st</sup>) Extraordinary Session of 2003 added a three percent (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 on and after January 1, 2003 and January 1, 2004.

Act 63 of 2005 repealed the income tax surcharge as in effect on and after January 1, 2005.

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

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

Act 2235 of 2005 required private employers provide an unpaid leave of absence for employees for testing, donation, and recovery from organ donation and provided an income tax credit for employers who provide paid leave for employees equal to twenty-five percent (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 made technical corrections to the income tax laws by adopting current Internal Revenue Code provisions.

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

Act 380 of 2007 required Subchapter S corporations attach a copy of their federal tax return to their State tax return.

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

Act 518 of 2007 created an income tax credit for geotourism in the Lower Mississippi River Delta.

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

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

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

Act 272 of 2009 amended 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 made technical corrections to the Arkansas income tax law by adopting current Internal Revenue Code provisions.

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

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

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

Act 1192 of 2009 amended the Delta Geotourism Incentive Act by including a greater portion of the Lower Mississippi River Delta.

Act 1500 of 2009 provided a one-time income tax credit on businesses with less than fifty (50) employees to purchase a cigarette receptacle. The amount of the tax credit is twenty percent (20%) of the purchase price of the receptacle and can be carried forward for three (3) consecutive years following the year the credit is earned.

Act 738 of 2011 extended the expiration date of the Geotourism Incentive Act of 2007 and increased the maximum geotourism income tax credit from one hundred thousand dollars (\$100,000) to two hundred and fifty thousand dollars (\$250,000).

Act 787 of 2011 made technical corrections to Arkansas income tax laws.

Act 789 of 2011 allowed Department of Finance and Administration (DFA) 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 extended the Arkansas Historic Rehabilitation Income Tax Credit Act until December 31, 2021.

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

Act 692 of 2015 provided qualified steel manufacturers with alternate qualification standards for waste reduction, reuse, or recycling income tax credit and extended the carry-forward period for the credit as in effect on and after January 1, 2015.

Act 862 of 2015 clarified the distribution of the waste reduction, reuse, or recycling income tax credit when a public retirement system is an investor.

Act 891 of 2015 exempted payments from agricultural disaster services from income tax.

Act 896 of 2015 extended the filing deadline as in effect on and after January 1, 2017.

Act 48 of 2017 provided for Arkansas corporate income tax returns to be filed by April 15 beginning in the 2016 tax year.

Act 393 of 2017 increased the Arkansas historic rehabilitation income tax credit for projects that start on or after July 1, 2017.

Act 434 of 2017 required a corporation filing a federal Subchapter S income tax return to file an Arkansas Subchapter S income tax return.

Act 435 of 2017 allowed for the disclosure of confidential and privileged tax records to a bankruptcy trustee or an employee of a bankruptcy trustee.

Act 759 of 2017 provided that a business closure order acts as an injunction prohibiting further business operation, provided that a taxpayer who owns a business subject to a business closure may seek a court order to continue operations during an appeal of a business closure order, and permitted the Director of the Department of Finance and Administration to enforce closure of a business while an appeal of a business closure is pending.

Act 762 of 2017 clarified the ability of the Director of the Department of Finance and Administration to cancel or refuse to issue, extend, or reinstate a license, permit, or registration under State tax law for a person's failure to pay interest and penalties on a delinquent tax.

Act 763 of 2017 exempted incentive payments received by physicians as part of the Community Match Rural Physician Recruitment Program under Ark. Code Ann. §§ 6-81-701 - 6-81-722 from income tax.

Act 999 of 2017 provided that erroneously paid refunds are considered underpayments of tax and are subject to assessment, created statutes of limitation specific to assessments for erroneously paid refunds, provided a formal mechanism to issue assessments for erroneously paid refunds, and provided that tax liens may be filed and executions issued to recover erroneously paid refunds.

Act 1042 of 2017 consolidated the youth apprenticeship program income tax credit with the youth apprenticeship or work-based learning program tax credit and expanded the income tax credit for employing an apprentice to apply to all apprentices above a certain age who are employed in an apprenticeship or a work-based learning program.

Act 1046 of 2017 amended the income tax credit for waste reduction, reuse, or recycling equipment to allow a taxpayer to claim the credit for a qualified expansion project or a qualified steel specialty products manufacturing facility, subject to certain conditions.

Act 1125 of 2017 extended the carry-forward period for the income tax credit allowed for water impoundments under the Water Resource Conservation and Development Incentives Act from nine (9) years to fifteen (15) years.

Act 201 of 2019 provided state tax incentives for investments in federally established opportunity zones in the state.

Act 327 of 2019 provided an additional tax credit under the Advantage Arkansas program if a certain hourly wage threshold is met; created tiered investment thresholds for the Tax Back program; and allowed the Arkansas Economic Development Commission to offer lower thresholds and additional payroll rebates for businesses located in certain counties.

Act 537 of 2019 clarified the time period during which a tax credit under the Equity Investment Incentive Act of 2007 may be sold.

Act 819 of 2019 required the Department of Finance and Administration to submit a biennial report on the effect of exemptions, discounts, credits, and deductions relating to income tax.

Act 822 of 2019 apportioned corporate income using a single sales factor apportionment formula; phased in a reduction of the top corporate income tax rate to five and nine-tenths percent (5.9%) in 2022; and phased in an extension of the net operating loss carry-forward period to ten (10) years.

Act 1073 of 2019 allowed for the transfer of income tax credits related to water resource conservation and development.

Act 95 of 2020 (Fiscal Sess.) exempted from income tax payments made under the U.S. Market Facilitation Program or Coronavirus Aid, Relief, and Economic Security Act.

Act 143 of 2021 required the electronic filing of income tax returns by tax practitioners.

Act 248 of 2021 conformed state income tax laws to federal laws relating to the tax treatment of coronavirus 2019 (COVID-19) relief programs, including the Paycheck Protection Program, emergency financial aid grants, and the Coronavirus Food Assistance Program.

Act 362 of 2021 allowed businesses to reduce their federal tax burden by electing entity-level taxation.

Act 563 of 2021 extended the time period during which projects are required to be completed under the Water Resource Conservation and Development Incentives Act. The act applied retroactively to all projects for which a certificate of tax credit approval was issued on or after January 1, 2017.

Act 594 of 2021 created the Arkansas Wood Energy Products and Forest Maintenance Income Tax Credit, which provides an income tax credit for thirty percent (30%) of the costs of certain wood energy products equipment.

Act 628 of 2021 increased the amount of the income tax credit allowed under the Arkansas Public Roads Improvements Credit Act from fifty percent (50%) to one hundred percent (100%) of tax liability and extended the carry-forward period applicable to the unused portions of the income tax credit from three (3) years to ten (10) years.

Act 840 of 2021 increased the annual cap on the Arkansas historic rehabilitation income tax credit beginning fiscal year 2022, allowed the Division of Arkansas Heritage to use fees collected under the Arkansas Historic Rehabilitation Income Tax Credit Act for personnel costs related to the administration of the act, and extended the sunset date of the act.

Act 875 of 2021 amended the Water Resource Conservation and Development Incentives Act to increase the amount of the income tax credits allowed for certain water impoundments and for surface water conservation outside of critical areas. The act also extended the time during which unused tax credits may be carried forward to fifteen (15) years.

Act 895 of 2021 amended the definition of "qualified specialty steel products manufacturing facility" for purposes of the income tax credit for waste reduction, reuse, or recycling equipment.

Act 967 of 2021 created an income tax credit for certain railroad track maintenance expenditures and required the Department of Finance and Administration to adopt rules to enable the certification of the income tax credit earned by a taxpayer.

Acts 1 and 2 of 2021 (2nd Ex. Sess.) reduced the top tax rate for corporations from six and two-tenths percent (6.2%) to five and seven-tenths percent (5.7%) for tax years beginning on or after January 1, 2023, and to five and three-tenths percent (5.3%) for tax years beginning on or after January 1, 2025, if certain conditions are met.

Acts 3 and 4 of 2021 (2nd Ex. Sess.) amended the state tax income tax credit for waste reduction, reuse, or recycling equipment by adding and defining a "qualified growth project" to the list of projects that can qualify for the income tax credit. The acts also establish the criteria under which a qualified growth project qualifies for the income tax credit and clarify the distribution of the income tax credits.

Acts 1 and 2 of 2022 (3rd Ex. Sess.) accelerated the reduction for the top tax rate for corporations to five and three-tenths percent (5.3%) so it would take effect for tax years beginning on or after January 1, 2023, and updated the income-tax deduction for depreciation and expensing of property to reflect 26 U.S.C. § 179 as in effect on January 1, 2022.

Act 532 of 2023 reduced the top tax rate for corporations to five and one-tenth percent (5.1%) for tax years beginning January 1, 2023.

Act 796 of 2023, § 71 provided that up to six and three hundred nine thousandths percent (6.309%) of the total funds of the Work Force Development 2000 Fund may be made available to technical institutes or comprehensive lifelong learning centers during each fiscal year. Certain excess amounts collected would be deposited into the Skills Development Fund to be used for the programs of the Office of Skills Development of the Department of Commerce.

Act 6 of 2023 (1st Ex. Sess.) adjusted the corporate income tax rates for tax years beginning on or after January 1, 2024 as follows:

1. On the first \$3,000 of net income ..... 1.0%
2. On the next \$3,000 of net income ..... 2.0%
3. On the next \$5,000 of net income ..... 3.0%
4. On net income exceeding \$11,000 ..... 4.8%

Acts 1 and 4 of 2024 (2nd Ex. Sess.) reduced the top marginal tax rate for corporations to four and three-tenths percent (4.3%) for tax years beginning on or after January 1, 2024.

**General Revenues**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 431,124,391	(0.95)
2014	\$ 440,208,681	2.11
2015	\$ 493,112,194	12.02
2016	\$ 486,708,889	(1.30)
2017	\$ 433,849,524	(10.86)
2018	\$ 406,653,144	(6.27)
2019	\$ 570,169,978	40.21
2020	\$ 482,167,180	(15.43)
2021	\$ 651,918,059	35.21
2022	\$ 849,625,913	30.33
2023	\$ 1,103,485,070	29.88
2024	\$ 1,070,940,335	(2.95)

**Special Revenues: Work Force 2000 Fund**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 27,396,850	7.22
2014	\$ 27,314,878	(0.30)
2015	\$ 27,017,823	(1.09)
2016	\$ 32,310,286	19.59
2017	\$ 30,520,788	(5.54)
2018	\$ 26,915,863	(11.81)
2019	\$ 26,493,281	(1.57)
2020	\$ 36,199,391	36.64
2021	\$ 31,800,148	(12.15)
2022	\$ 41,931,425	31.86
2023	\$ 56,050,487	33.67
2024	\$ 56,827,293	1.39

**Distribution of Tax:**

General Revenues.

Certain revenue generated from the increase in the corporate tax rate are credited to the Work Force 2000 Development Fund. The amount credited to the Work Force 2000 Development Fund is six and seventy-eight hundredths percent (6.78%) of the previous year's collections. Up to six and three hundred nine thousandths percent (6.309%) of the total funds of the Work Force Development Fund may be made available to technical institutes or comprehensive lifelong learning centers during each fiscal year.

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-51-205; 26-51-301 et seq.; 26-51-404

## 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 and after January 1, 2024, for taxpayers with net income less than or equal to \$89,600:

From	Less Than or Equal To	Rate
\$0	\$5,299	0%
\$5,300	\$10,599	2%
\$10,600	\$15,099	3%
\$15,100	\$24,999	3.4%
\$25,000	\$89,600	3.9%

On and after January 1, 2024, for taxpayers with net income greater than \$89,600:

From	Less Than or Equal To	Rate
\$0	\$4,500	2%
\$4,501 and above		3.9%

### Exemptions:

1. Proceeds of life insurance policies
2. Return of premiums paid on life insurance, endowment, or annuity contracts
3. Interest on obligations of United States, or State of Arkansas
4. Income received through accident or health insurance or Workmen's Compensation and proceeds or benefits paid upon the illness or death of an insured
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 (2) years
10. Social Security payments, Railroad Retirement benefits, federal Unemployment Compensation benefits
11. The first six thousand dollars (\$6,000) of benefits received from an individual retirement account or from public or private employment-related retirement systems, plans, or programs
12. Retirement benefits received by a member of the uniformed services from any of the uniformed services and survivor benefits that are funded by the retirement pay of a member of the uniformed services
13. The service pay or allowance received by an active duty member of the armed forces and the first nine thousand dollars (\$9,000) of service pay or allowance for any member of the armed services
14. All of disability benefits received by disabled veterans

15. 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
16. Contributions to Individual Retirement Accounts – two thousand dollars (\$2,000)/four thousand dollars (\$4,000); Keogh Plan – fifteen thousand dollars (\$15,000) or fifteen percent (15%) of income, whichever is less. (Changed to follow federal)
17. Rental value of a home or rental allowance paid to a minister
18. Certain low-income taxpayers
19. Payments from certain agricultural disaster programs
20. Community match income incentives received by a taxpayer under the Community Match Rural Physician Recruitment Program
21. The value of property acquired by gift, bequest, devise, or descent
22. Payments received under a cafeteria plan
23. Dependent care assistance
24. Group term life insurance and disability and health plan payments
25. Moving expense reimbursements and meals and lodging furnished for the convenience of the employer
26. Amounts received by a foster care provider as qualified foster care payments
27. Certain fringe benefits
28. Education expenses paid by an employer
29. Interest or dividends earned or capital gains recognized on a long-term intergenerational security trust
30. Interest or dividends earned on an individual development account and matching funds deposited in an individual development account
31. Benefits received under an employer's adoption assistance program
32. Limited contributions by an employer to an employee's health savings account
33. Child support payments
34. Unemployment compensation benefits received in 2020 or 2021 from income tax.

Act 379 of 1983, also known as the "Technical Correction Tax Act of 1983," made technical amendments to Act 118 of 1929, also known as the "Income Tax Act 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 785 of 1983 provided a tax credit of one hundred dollars (\$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.

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

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

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

Act 486 of 1985 exempted the first six thousand dollars (\$6,000) of retirement benefits received on and after January 1, 1985. Those retirement benefits that are totally exempt from State income tax will continue to be totally exempt until December 31, 1989.

Act 848 of 1985 provided a phase-in of capital gains exclusion. As in effect on and after January 1, 1987, ten percent (10%); as in effect on and after January 1, 1988, thirty percent (30%); as in effect on and after January 1, 1989, sixty percent (60%).

Acts 24 and 30 of the First (1<sup>st</sup>) Extraordinary Session of 1985 provided a credit of thirty-three percent (33%) for contributions made to public and private colleges and universities. The credit is limited to one hundred dollars (\$100) single or two hundred dollars (\$200) joint filers.

Act 26 of the First (1<sup>st</sup>) Extraordinary Session of 1985 amended Act 417 of 1985 by limiting the credit to fifty percent (50%) and provided a minimum size of twenty (20) acre-feet on qualifying water impoundments.

Act 35 of 1987 postponed until January 1, 1989, the phase-in exclusion of capital gains.

Act 382 of 1987 adopted several provisions of the new federal income tax law and eliminated many of the differences previously existing in the Arkansas income tax law, and increased the personal tax credits for dependents and taxpayer to twenty dollars (\$20.00). The provisions are effective on and after January 1, 1987.

Act 521 of 1987 allowed 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 repealed the income tax withholding provision on State consultant contracts.

Act 899 of 1987 required the withholding of seven percent (7%) for income tax purposes from dog and horse racing winnings. The “winnings” must be on a single wager and be more than one thousand dollars (\$1,000) or at least three hundred (300) times as large as the amount wagered.

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

Act 615 of 1989 provided that net operating loss which results from farming operations and were not fully used may be carried forward an additional two (2) years.

Act 660 of 1989 provided various preferential tax treatment for County Industrial Development Corporations, including exemption from county tax and state income tax, and for persons purchasing stock in such corporations.

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

Act 826 of 1989, also known as 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 two hundred fifty dollars (\$250).

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

Act 910 of 1989 provided a special installment deferral of up to fifteen (15) years at an interest rate of four percent (4%) for the payment of Arkansas estate tax for certain qualifying businesses.

Act 933 of 1989 provided for the implementation of preferential tax treatment for capital gains as in effect on and after January 1, 1991. This Act also contained a provision that would implement the special capital gains treatment prior to January 1, 1991, if such a law is enacted by Congress.

Act 27 of the Third (3<sup>rd</sup>) Extraordinary Session of 1989 provided for a six thousand dollar (\$6,000) income tax exemption for the residents on retirement and disability income and repealed the total exemption of retirement income for Arkansas public employees and teachers. It provided that any individual over sixty-five (65) years of age who does not claim the retirement income exemption is entitled to a twenty dollar (\$20.00) tax credit. Persons receiving military retirement pay are entitled to only one six thousand dollar (\$6,000) exemption.

Act 172 of 1991 provided 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 adopted 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 adopted 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 provided 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 provided an income exemption for royalties received by in-state inventors.

Act 708 of 1991 provided a deduction of five hundred dollars (\$500) for individuals who maintain and care for a totally and permanently disabled child in their home.

Act 815 of 1991 reduced the penalty for failure to file from five percent (5%) to one percent (1%).

Act 882 of 1991 provided for a maximum capital gains tax rate of six percent (6%) for individuals and S corporations and repealed the capital gains deduction.

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

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

Act 785 of 1993 amended various sections of the Arkansas Code Annotated pertaining to individual income tax.

Act 942 of 1993 required 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 be assessed a fee of three percent (3%) of the total credit not to exceed one hundred fifty dollars (\$150). The fee is payable to the Soil and Water Conservation Commission.

Act 341 of 1995 allowed an income tax credit up to nine thousand dollars (\$9,000) per year and deductions for constructing various water resource projects approved by the Soil and Water Conservation Commission.

Act 363 of 1995 amended 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 allowed a credit for adoption expense. The maximum credit is eight hundred dollars (\$800) for each adoption process per household per year.

Act 560 of 1995 adopted Internal Revenue Code sections 126 and 175, which relate to exclusions and deductions for soil and water conservation programs.

Act 561 of 1995 allowed a maximum income tax credit of five thousand dollars (\$5,000) per year for cost of projects to restore wetlands and riparian zones. Projects must be approved by the Soil and Water Commission.

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

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

Act 916 of 1995 provided for the imposition of a ten percent (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 twenty-five (25) mill property tax.

Act 1044 of 1995 amended the County & Regional Industrial Development Act to extend from January 1, 1996, until December 31, 1999, the time in which to take an income tax credit for purchasing common stock in a qualified corporation.

Act 1160 of 1995 readopted and adopted various Internal Revenue Code sections for Arkansas income tax purposes.

Act 1224 of 1995 provided that upon the approval of the voters, the Soil and Water Commission or Arkansas Development

Finance Authority is authorized to issue general obligation bonds which are tax exempt.

Act 1303 of 1995, also known as the "Long Term Intergenerational Security Act of 1995," provided that an individual may contribute up to four thousand dollars (\$4,000) per year to such account. State tax on interest, dividends, and capital gains are deferred until distribution.

Initiated Act 1 of 1996 provided 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 fifty dollars (\$50.00) per person or one hundred dollars (\$100) per tax return.

Act 590 of 1997 authorized 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 authorized the Soil and Water Commission to issue up to three hundred million dollars (\$300,000,000) in general obligation bonds. Interest from the bonds is exempt from income tax.

Act 883 of 1997 provided 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 on or after January 1, 1998.
2. The business is a domestic corporation with total capitalization of less than one hundred million dollars (\$100,000,000) and with less than ten percent (10%) of its assets held in real estate.
3. The stock must be held at least five (5) years. Stocks held for five (5) years created a fifty percent (50%) deduction with the deduction increasing to one hundred percent (100%) for stock held for ten (10) years.

Act 1075 of 1997 provided for a deduction from adjusted gross income of up to fifty percent (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 higher education institutions. The weighted tuition is calculated for each group of Arkansas four-year schools, two-year schools, and technical institutes.

Act 1309 of 1997 established 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 allowed 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 thirty percent (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 seven hundred fifty thousand (\$750,000) per calendar year.

Act 1332 of 1997 allowed an income or premium tax credit equal to twenty percent (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 five (5) years. The total amount of tax credits available for any tax year is limited to two hundred fifty thousand (\$250,000) per calendar year.

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

Acts 144 and 513 of 1999 adopted federal law concerning Roth and Education Individual Retirement Accounts (IRA). 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 (5) years and distributions are made after age fifty-nine (59) and six (6) months. Each taxpayer may contribute up to two thousand dollars (\$2,000) annually subject to phase out based on income limitations – Joint filers – one hundred fifty thousand dollars to one hundred sixty thousand dollars (\$150,000 – \$160,000) Adjusted Gross Income; Single filers – ninety-five thousand dollars to one hundred ten thousand dollars (\$95,000 – 110,000). Converting a traditional IRA to a Roth results in taxable income; however, if the roll over occurred before January 1, 1999, the tax may be paid over four (4) years. Act 513 also provided that joint filers with Adjusted Gross Income of less than one hundred fifty thousand dollars (\$150,000) may contribute up to five hundred (\$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 amended the Water Resource Conservation and Development Incentives Act by increasing the annual income tax credit for surface water conversion in critical areas to two hundred thousand dollars (\$200,000) for projects using water for industrial or commercial purposes. The Act increased the total amount of tax credits available under the Act to ten million dollars (\$10,000,000) in any calendar year and provided that the tax credit shall expire in the year following the year in which the total tax credits exceed ten million dollars (\$10,000,000).

Act 817 of 1999 extended the six thousand dollar (\$6,000) exemption of benefits from an employer-sponsored retirement plan to include distributions from an Individual Retirement Account (IRA)

Act 900 of 1999 provided that for claims filed in 1999, one hundred dollars (\$100) will be available to households making less than twenty-five thousand dollars (\$25,000). On or after January 1, 2000, the maximum income limit is raised from sixteen thousand dollars (\$16,000) to thirty thousand dollars (\$30,000) and the maximum credit has been raised from three hundred dollars (\$300) to three hundred twenty-five dollars (\$325). These changes would not be effective for claims filed after December 31, 2001, if a constitutional amendment that

provided other property tax relief is approved in November 2000.

Act 940 of 1999 extended 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 on and after January 1, 2000.

Act 996 of 1999 established the Arkansas Tax-Deferred Tuition Savings Program Act of 1999 to be administered by the Arkansas 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 excluded from income thirty percent (30%) of capital gains with the remaining seventy percent (70%) being treated as "regular" income. The special six percent (6%) rate is repealed.

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

Act 1116 of 1999 added 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 adopted updated federal income tax provisions to conform State law to federal law; adopted some newly enacted federal income tax provisions; amended 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, also known as the "The Family Savings Initiative Act," created a tax credit, limited to the lesser of twenty-five thousand dollars (\$25,000) or the tax due with a three-year carryover for fifty percent (50%) of contributions to a designated fiduciary organization for use as matching funds for "Individual Development Accounts." Taxpayers receive certification from the Department of Human Services. Calendar year credits certified cannot exceed one hundred thousand dollars (\$100,000).

Act 1347 of 1999, also known as the "Arkansas Public Roads Improvements Credit Act," created a tax credit, limited to fifty percent (50%) of the tax liability with a three-year carryover, for thirty-three percent (33%) of contributions to the Public Roads Incentive Fund for projects.

Act 1446 of 1999 permitted 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 permitted 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 made technical corrections to amend various State income tax provisions adopting recent changes in the Internal Revenue Code such as inclusion in gross income and moving expense reimbursements and inclusion of annuity income from employment related tax plans. The Act created a pilot program permitting eligible senior citizens to establish Medicare plus choice medical savings accounts, allowed 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 exempted 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 amended the manufacturer investment tax credit to allow income tax credits for paper manufacturers investing at least one hundred million dollars (\$100,000,000) in our approval plant improvement projects.

Act 1791 of 2001 created income tax credits up to ten million dollars (\$10,000,000) annually to a designated venture capital investor group selected by the Arkansas Development Finance Authority.

Act 1819 of 2001 adjusted the personal income tax credit based upon the inflation rate after two (2) economic triggers have been met.

Act 336 of 2003 adopted current Internal Revenue Code provisions for deductions of contributions to medical savings accounts.

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

Act 663 of 2003 exempted 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 revised definitions associated with the computation of capital gains and losses.

Act 860 of 2003 established an income tax credit for a person purchasing an equity interest in a capital development company as in effect on and after January 1, 2003, until December 31, 2013.

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

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

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

Act 29 of 2005 adopted federal Internal Revenue Code provisions to exempt combat zone compensation of members of the armed services from State income tax.

Act 2187 of 2005 increased the State income tax exemption for enlisted armed service members to nine thousand dollars (\$9,000) annually.

Act 10 of the First (1<sup>st</sup>) Extraordinary Session of 2005 revised the income tax credit refund by allowing bio-diesel mixtures exceeding two percent (2%) per gallon to be up to 2% of the total gallons of bio-diesel mixture.

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

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

Act 1192 of 2009 amended the Delta Geotourism Incentive Act by including a greater portion of the Lower Mississippi River Delta.

Act 736 of 2011 provided additional income tax relief to head of household taxpayers with two (2) or more dependents.

Act 829 of 2011 amended 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 exempted service pay or allowance received by active duty, National Guard, and Reserve unit armed forces from income tax.

Act 1452 of 2013 provided a deduction of up to one thousand dollars (\$1,000) to volunteer firefighters for purchases of required equipment and for property lost in the course of duty.

Act 1488 of 2013 increased the standard deduction to two thousand two hundred dollars (\$2,200), and the exemption on capital gains to fifty percent (50%).

Act 567 of 2015 clarified the definition of "certified rehabilitation" and extended the credit to be in effect until December 31, 2027.

Act 864 of 2015 exempted out-of-state businesses and their employees from paying income taxes on work or services performed during a declared State disaster or emergency during a disaster response period.

Act 891 of 2015 created an income tax exemption for payments from agricultural disaster programs.

Act 1173 of 2015 increased the amount of net capital gain exempt from income tax from forty percent (40%) to forty-five percent (45%) as in effect on and after February 1, 2015, and increased the amount exempt to fifty percent (50%) as in effect on and after July 1, 2015.

Act 141 of 2017 exempted military retirement and survivor benefits from income tax and included unemployment compensation in the definition of "gross income."

Act 763 of 2017 exempted incentive payments received by physicians as part of the Community Match Rural Physician Recruitment Program under Ark. Code Ann. §§ 6-81-701 - 6-81-722.

Act 669 of 2019 clarified who is eligible for the income tax exemption allowed for service pay received by an active duty member of the armed forces.

Act 154 of 2021 exempts unemployment compensation benefits received in 2020 or 2021 from income tax.

## History:

Act 118 of 1929, known as the "Income Tax Act of 1929, enacted the individual income tax and imposed the following rates:

On the first three thousand dollars (\$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 five thousand dollars (\$5,000) of net income or any part thereof, three percent (3%). On the next fourteen thousand dollars (\$14,000) of net income or any part thereof, four percent (4%). On all net income in excess of twenty-five thousand dollars (\$25,000), five percent (5%).

Act 118 also 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 one thousand five hundred dollars (\$1,500);
2. In the case of a married individual, a personal exemption of two thousand five hundred dollars (\$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 two thousand five hundred dollars (\$2,500) for a single individual and to three thousand five hundred dollars (\$3,500) for a married individual, but reduced the deduction for federal income taxes to fifty percent (50%).

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

Act 124 of 1951 provided 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 five thousand dollars (\$5,000) or more, the standard deduction shall be one thousand (\$1,000), or an amount equal to ten percent (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 five hundred (\$500); and
2. If his gross income is less than five thousand dollars (\$5,000), the standard deduction shall be an amount equal to ten percent (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, seventeen dollars and fifty cents (\$17.50);
2. For a married individual, thirty-five dollars (\$35.00); and
3. For each dependent, six dollars (\$6.00)

Act 132 of 1965 established a major change in the individual income tax which required withholding 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 ..... 1.0%
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..... 6.0%
6. On net income of \$25,000 and above ..... 7.0%

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 eliminated the income tax liability and filing requirements of certain low income individuals. It reduced the rate of tax under the reduced tax tables and adopted Internal Revenue Code sections to limit itemized deductions.

Act 688 of 1991 provided for a penalty of fifty dollars (\$50.00) 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 provided 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 repealed 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, and Non-Designated Educational Program.

Act 328 of 1997 provided for the following:

1. Increased the standard income tax deduction from one thousand dollars (\$1,000) to two thousand dollars (\$2,000) per taxpayer.
2. Amended the reduced income tax tables to provide that families under the federal poverty level do not file and pay income tax.
3. Provided a credit of up to four percent (4%) of OASDI (Old Age, Survivors, and Disability Insurance – Social Security) tax paid by a taxpayer.
4. Provided for indexing of "regular" income tax brackets using Consumer Price Index (CPI). As in effect on and after January 1, 1999, the brackets will be adjusted by increases in CPI up to three percent (3%).
5. Increased child care credit from ten percent (10%) to twenty percent (20%) of the federal credit. Excluded from income gain on the sale of a primary residence if the taxpayer has resided in the home for three (3) of the last five (5) years.
6. Increased 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 readopted a number of Internal Revenue Code statutes as in effect on and after January 1, 1997, in order to have Arkansas income tax credits and deductions mirror federal law.

Act 1040 of 1997 amended the ten percent (10%) income tax surcharge on individuals living in school districts which did not levy at least twenty-five (25) mills for school operations. The income surcharge will apply only to the taxable year beginning on January 1, 1996.

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

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

Act 417 of 1999 changed current law that provided a five hundred dollar (\$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 required a physician's certification each year. This Act removed the certification requirement.

Act 980 of 1999 permitted farm cooperatives to make distributions to their members in accordance with federal law. This Act did 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 readopted the medical savings account provision of the Internal Revenue Code.

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

Act 218 of 2003 adopted certain sections of the Internal Revenue Code related to deferred compensation annuities, retirement savings, and education Individual Retirement Accounts.

Act 279 of 2003, also known as "The Baby Sharon Act," provided for an individual income tax return "check off" for the Arkansas Children's Catastrophic Illness Grant Program.

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

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

Act 996 of 2003 allowed members of the National Guard or Reserves ordered to active duty outside this State at least an additional ninety (90) days and not more than one (1) year 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 increased the threshold for employers to file an annual withholding tax return rather than a monthly return

from two hundred dollars (\$200) to one thousand dollars (\$1,000).

Act 1023 of 2003 allowed 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 clarified 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 repealed the federal Social Security tax credit, known as the working taxpayer credit (OASDI), associated with State individual income tax as in effect on and after January 1, 2003.

Act 1800 of 2003 added county and district courts to the definition of a "claimant agency" which allowed fines to be collected against State tax refunds.

Act 38 of the First (1<sup>st</sup>) Extraordinary Session of 2003 added a three percent (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 on and after January 1, 2003.

Act 53 of 2005 provided 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 repealed the income tax surcharge as in effect on and after January 1, 2005, therefore Act 38 of the First (1<sup>st</sup>) Extraordinary Session of 2003 was only in effect from January 1, 2003, until December 31, 2004.

Act 94 of 2005 adopted federal income tax treatment of contributions to health savings accounts as in effect on and after January 1, 2004.

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

Act 277 of 2005 added Office Personnel Management of Department of Finance and Administration as a claimant agency for purposes of offsetting individual income tax refunds for repayment of debts to the office.

Act 675 of 2005 adopted various Internal Revenue Code sections for the purpose of computing State income tax liability.

Act 668 of 2005 allowed up to a ten thousand dollar (\$10,000) deduction from individual income tax for organ donation.

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

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

Act 1821 of 2005 created the Arkansas Area Agencies on Aging income tax check-off program benefiting the agencies as in effect on and after January 1, 2005.

Act 1982 of 2005 provided for withholding of income tax by pass through entities on nonresident taxpayers.

Act 1973 of 2005 provided contributions to Arkansas Tax Deferred Tuition Saving Program are deductible from Arkansas income taxes not to exceed five thousand dollars (\$5,000) per taxpayer annually.

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

Act 196 of 2007 allowed tax free distributions from Individual Retirement Account (IRA) plans for charitable purposes as adopted in the Internal Revenue Code.

Act 212 of 2007 provided 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 made technical corrections to the Arkansas income tax laws by adopting current Internal Revenue Code provisions.

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

Act 518 of 2007 created an income tax credit for geotourism in the Lower Mississippi River Delta.

Act 732 of 2007 levied an income tax of three percent (3%) on winnings paid by electronic games of skill when winnings are one thousand two hundred dollars (\$1,200) or more.

Act 1607 of 2007 allowed up to a one hundred percent (100%) income tax credit with nine (9) year carry-forward for donations to a college or university.

Act 211 of 2009 allowed 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 defined developmental disability in the Arkansas income tax law.

Act 238 of 2009 extended 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 amended 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 provided for the closure of businesses that fail to report or remit State withholding taxes for three (3) months during a consecutive twenty-four-month period.

Act 372 of 2009 made technical corrections to the Arkansas income tax law by adopting current Internal Revenue Code provisions.

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

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

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

Act 724 of 2011 clarified the provisions concerning a setoff of debts from State income tax refunds by changing the length of delinquency from one (1) year to six (6) months.

Act 736 of 2011 provided additional income tax relief to Head of Household taxpayers with two (2) or more dependents.

Act 785 of 2011 allowed 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 made technical corrections to Arkansas Income tax laws.

Act 789 of 2011 allowed Department of Finance and Administration (DFA) 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 included 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 extended the Arkansas Historic Rehabilitation Income Tax Credit Act to be in effect until December 31, 2021.

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

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

Act 1284 of 2013 adopted 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 changed 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 .....	1.0%
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 .....	6.0%
On net income above \$34,000 .....	7.0%

On or after January 1, 2014

On the first \$4,099 of net income .....	0.9%
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On or after January 1, 2015

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%

Act 22 of 2015 changed the income tax rates as in effect on and after January 1, 2014, January 1, 2015, and January 1, 2016. It created new rates tables for those with net income less than twenty-one thousand dollars (\$21,000) and for those with net income greater than seventy-five thousand dollars (\$75,000), and created a bracket adjustment for net income between seventy-five thousand dollars and eighty thousand dollars (\$75,000 - \$80,000).

Act 709 of 2015 provided for a reduction of certain income tax rates contingent on federal authorization to collect sales and use tax from sellers without a physical presence in the State.

Act 79 of 2017 reduced all income tax rates for individuals, trusts and estates with a net income of less than twenty-one thousand dollars (\$21,000) and reduced the bottom income tax rate for individuals, trusts, and estates with a net income between twenty-one thousand dollars (\$21,000) and seventy-five thousand dollars (\$75,000). The Act also created the Arkansas Tax Reform and Relief Legislative Task Force to study tax reform and recommend legislation for the 2019 session. The Act is identical to Act 78 of 2017. The income tax reductions in Section 2 of the Act are effective for tax years beginning on and after January 1, 2019.

Act 141 of 2017 exempted military retirement and survivor benefits from income tax and included unemployment compensation in the definition of “gross income.”

Act 155 of 2017 clarified that child support payments are not included in the gross income of the recipient and that gambling losses are deductible to the extent of gambling winnings

Act 393 of 2017 increased the Arkansas historic rehabilitation income tax credit for projects that start on or after July 1, 2017.

Act 435 of 2017 allowed for the disclosure of confidential and privileged tax records to a bankruptcy trustee or an employee of a bankruptcy trustee.

Act 481 of 2017 provided that a tax deduction for contribution to a tuition savings account in the Arkansas Tax-Deferred Tuition Savings Program may be carried forward for the next four (4) succeeding tax years.

Act 482 of 2017 required that partnership income be determined for State income tax purposes by using the apportionment method.

Act 666 of 2017 created an income tax deduction for teachers who expend money on qualified classroom investment expenses.

Act 760 of 2017 amended the corporate income tax withholding requirements for members or owners of a pass-through entity to include Subchapter C corporations.

Act 762 of 2017 clarified the ability of the Director of the Department of Finance and Administration to cancel or refuse to issue, extend, or reinstate a license, permit, or registration under State tax law for a person’s failure to pay interest and penalties on a delinquent tax.

Act 763 of 2017 created an income tax exemption for incentives received under the Community Match Rural Physician Recruitment Program.

Act 883 of 2017 provided that contributions to a tuition savings account under a tax-deferred tuition savings program established by another state may be deducted from a taxpayer’s income tax.

Act 884 of 2017 allowed an employer to make a matching contribution to an employee’s tax-deferred tuition savings program as an employee benefit and limits the maximum

contribution amount to five hundred dollars (\$500) per employee per year.

Act 999 of 2017 provided that erroneously paid refunds are considered underpayments of tax and are subject to assessment, created statutes of limitation specific to assessments for erroneously paid refunds, provided a formal mechanism to issue assessments for erroneously paid refunds, and provided that tax liens may be filed and executions issued to recover erroneously paid refunds.

Act 182 of 2019 reduced the top income tax rate to five and nine-tenths percent (5.9%) in 2020 for middle-income individuals and provided fewer brackets and rates for high-income individuals, including a top rate of six and six-tenths percent (6.6%) in 2020 and five and nine-tenths percent (5.9%) in 2021. The Act also repealed language providing for a reduction in a specific income tax bracket based on certain sales tax collections.

Act 201 of 2019 provided state tax incentives for investments in federally established opportunity zones in the state.

Act 203 of 2019 allowed an income tax credit for cash donations to certain educational institutions for the purchase of machinery and equipment and created an application process for being granted an income tax credit for donations or sales to certain educational institutions.

Act 470 of 2019 reduced the investment threshold necessary to qualify for the Arkansas historic rehabilitation income tax credit.

Act 669 of 2019 clarified who is eligible for the income tax exemption allowed for service pay received by an active duty member of the armed forces.

Act 774 of 2019 required the Department of Finance and Administration to provide space on individual income tax forms for a taxpayer to designate more than one (1) account for the direct deposit of the taxpayer’s refund beginning with returns filed for tax year January 1, 2020.

Act 819 of 2019 required the Department of Finance and Administration to submit a biennial report on the effect of exemptions, discounts, credits, and deductions relating to income tax.

Act 825 of 2019 provided for an income tax deduction for contributions to disability savings accounts.

Act 855 of 2019 created a temporary income tax credit for major historic rehabilitation projects.

Act 1066 of 2019 required signage along designated music highways in the State and provided tax incentives for art projects along designated music highways in the state to recognize the State’s musical heritage and promote tourism.

Act 1073 of 2019 allowed for the transfer of income tax credits related to water resource conservation and development.

Act 143 of 2021 requires the electronic filing of income tax returns by tax practitioners.

Act 154 of 2021 exempts unemployment compensation benefits received in 2020 or 2021 from income tax.

Act 283 of 2021 allows for the withholding of income tax from unemployment compensation benefits and unemployment insurance benefits. The act provides that the withholding will not occur until the Division of Workforce Services' computer technology and information management systems are prepared to handle the withholding and the United States Secretary of Labor either approves the program or determines that approval is not necessary.

Act 362 of 2021 creates the Elective Pass-Through Entity Tax Act, which allows pass-through entities to elect to have their income be subject to the pass-through entity tax instead of the state income tax.

Act 592 of 2021 requires casinos to report gambling winnings to the Secretary of the Department of Finance and Administration and to withhold and remit state income tax from gambling winnings.

Act 629 of 2021 extends the extended deadline for filing state income tax returns to one (1) month after the due date of the federal income tax return. The act is effective for tax years beginning on and after January 1, 2021.

Act 635 of 2021 changes the deadline for filing 2020 income tax returns for taxpayers other than Subchapter C corporations to May 17, 2021.

Act 765 of 2021 creates the Law Enforcement Family Relief Check-off Program, which allows an individual taxpayer to designate some or all of the taxpayer's income tax refund to the program, which assists the family of an Arkansas-certified law enforcement officer who was killed in the line of duty or diagnosed by a medical professional with a terminal illness.

Act 841 of 2021 creates an income tax credit for retired law enforcement officers who work on behalf of the Division of Arkansas State Police to investigate cold cases.

Act 882 of 2021 allows for the carry forward of contributions to an ABLE account in excess of the maximum amount of deductible contributions allowed under the Achieving a Better Life Experience Program Act and allows state employees to have a distribution made from their payroll deposit to an ABLE account.

Act 904 of 2021 creates the Philanthropic Investment in Arkansas Kids Program Act, which creates a tax credit for eligible contributions made to a sponsor-granting organization, the total of which shall not exceed two million dollars (\$2,000,000) per calendar year.

Act 935 of 2021, known as "Paisley's Law", creates an income tax credit for a stillborn child.

Act 966 of 2021 changes the name of the statutes governing Arkansas's 529 college savings program from "Arkansas Tax-Deferred Tuition Savings Program" to the "Arkansas Brighter Future Fund Plan." The act also adopts recent changes contained in the Internal Revenue Code as in effect on January 1, 2020.

Act 971 of 2021 doubles the income tax deduction allowed to classroom teachers for expenses they incur in providing materials for their classroom.

Act 1019 of 2021 clarifies that nonresident income is allocated based on where the employee is located when performing the work associated with the income and amends the definition of "employer" for purposes of income tax withholding to include a person doing business in or deriving income from sources outside this state who has control of the payment of wages to an individual for services performed within Arkansas.

Acts 1 and 2 of 2021 (2nd Ex. Sess.) changed the individual income tax brackets to the following:

On and after January 1, 2022, for taxpayers with net income less than or equal to \$84,500:

From	Less Than or Equal To	Rate
\$0	\$4,999	0%
\$5,000	\$9,999	2%
\$10,000	\$14,299	3%
\$14,300	\$23,599	3.4%
\$23,600	\$39,699	5%
\$39,700	\$84,500	5.5%

On and after January 1, 2022, for taxpayers with net income greater than \$84,500:

From	Less Than or Equal To	Rate
\$0	\$4,300	2%
\$4,301	\$8,500	4%
\$8,501 and above		5.5%

The acts amend the individual income tax laws to consolidate the low-and middle-income tax tables, amend the brackets for individuals taxpayers, reduce the top rate for individuals to five and five-tenths percent (5.5%) in 2022 and five and three-tenths percent (5.3%) in 2023, indexing the standard deduction to inflation, create a nonrefundable credit for certain low-income taxpayers, and reduce the top rate for corporations to five and seven-tenths percent in 2023. The acts provide that the top individual and corporate rates will be further reduced to four and nine-tenths percent (4.9%) for individuals and five and three-tenths percent (5.3%) for corporations by 2025 if certain conditions are met. The acts also amend the income tax rate for the pass-through entity tax to align with the top individual income tax rate and clarify the income tax exemption for funds received under the Coronavirus Food Assistance Program. With the exception of the provision concerning the Coronavirus Food Assistance Program, these provisions were effective for tax years beginning on and after January 1, 2022.

Acts 1 and 2 of 2022 (3rd Ex. Sess.) accelerated the reduction for the top tax rate to four and nine-tenths percent (4.9%) so it would take effect for tax years beginning on or after January 1, 2022. The acts created a temporary inflationary relief income tax credit and adopted federal law regarding depreciation and expensing of property for the purpose of computing state tax liability.

Act 532 of 2023 changed the individual tax income brackets to the following:

On and after January 1, 2023, for taxpayers with net income less than or equal to \$87,000:

From	Less Than or Equal To	Rate
\$0	\$5,099	0%
\$5,100	\$10,299	2%
\$10,300	\$14,699	3%
\$14,700	\$24,299	3.4%
\$24,300	\$87,000	4.7%

**Cite:**

Arkansas Code (1987) 26-51-107; 26-51-201; 26-51-301 et seq.; 26-51-404

On and after January 1, 2023, for taxpayers with net income greater than \$87,000:

From	Less Than or Equal To	Rate
\$0	\$4,400	2%
\$4,401	\$8,800	4%
\$8,801 and above		4.7%

Act 6 of 2023 (1st Ex. Sess.) lowered the top tax rate from four and seven-tenths percent (4.7%) to four and four-tenths percent (4.4%) for tax years beginning on or after January 1, 2024. The act created a temporary inflationary relief income tax credit.

Acts 1 and 4 of 2024 (2nd Ex. Sess.)

On and after January 1, 2024, for taxpayers with net income less than or equal to \$89,600:

From	Less Than or Equal To	Rate
\$0	\$5,299	0%
\$5,300	\$10,599	2%
\$10,600	\$15,099	3%
\$15,100	\$24,999	3.4%
\$25,000	\$89,600	3.9%

On and after January 1, 2024, for taxpayers with net income greater than \$89,600:

From	Less Than or Equal To	Rate
\$0	\$4,500	2%
\$4,501 and above		3.9%

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 3,148,929,338	8.66
2014	\$ 3,115,231,532	(1.07)
2015	\$ 3,232,146,158	3.75
2016	\$ 3,152,159,153	(2.47)
2017	\$ 3,220,116,636	2.16
2018	\$ 3,362,665,678	4.43
2019	\$ 3,606,454,576	7.25
2020	\$ 3,424,402,784	(5.05)
2021	\$ 3,979,434,897	16.21
2022	\$ 4,166,579,333	4.70
2023	\$ 3,662,320,639	(12.10)
2024	\$ 3,534,613,514	(3.49)

**Distribution of Tax:**

General Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

## Chapter 3 - Alcoholic Beverages

### Taxes and Fees

#### 3.1. ALCOHOLIC BEVERAGE CONTROL DIVISION FINES

In addition to all other sanctions and penalties which may be imposed by the Director of the Alcoholic Beverage Control (ABC) Division, 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 rules of the ABC Division.

##### Rate and Base:

1. Class A Permit Violations: Five hundred dollars to one thousand dollars (\$500 – \$1,000)
2. Class B Permit Violations: Two hundred dollars to five hundred dollars (\$200 – \$500)
3. Class C Permit Violations: One hundred dollars to two hundred dollars (\$100 – \$200)
4. Violation of local closing hours: One hundred dollars to five hundred dollars (\$100 – \$500)
5. Failure to post warning sign regarding pregnancy: Up to five hundred dollars (\$500) for second violation

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

1. Failure to furnish access to premises by any law enforcement officer or any authorized Alcoholic Beverage Control Division personnel or failure to cooperate or take reasonable action to assist any such law enforcement officers or authorized division personnel who are on the permitted premises in the performance of their duties.
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.
11. The permittee possessed or knew or reasonably should have known that any agent or employee or patron of the establishment possessed on the permitted premises any

illegal drug or narcotic or controlled substance or that any agent or employee while acting on the permittee's behalf knowingly allowed the possession on the permitted premises of any illegal drug or narcotic or controlled substance.

12. Selling or allowing the consumption of alcoholic beverages on the permitted premises when the permit is suspended or on inactive status.
13. Selling to minors.
14. Unauthorized employment of a minor.
15. Disorderly conduct or a breach of the peace by a patron or employee on the permitted premises.
16. Violation of § 3-3-218.
17. Selling to an intoxicated person.
18. Unauthorized manufacturing, selling, offering, dispensing, or giving away of controlled beverages.
19. Conducting or permitting gambling on premises. Not including charitable bingo and raffles under the Charitable Bingo and Raffles Enabling Act, or a lottery under the Arkansas Scholarship Lottery Act.
20. Violation of legal closing hours.
21. Possession of a weapon on the permitted premises by a person without a possessory or proprietary interest in the permitted premises. When the permitted premises is a retail liquor store that sells alcoholic beverages for off-premises consumption, an employee of the retail liquor store that is licensed to carry a concealed handgun by the State may possess a handgun on the permitted premises if the possession of the handgun is permitted under State law.

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 rules 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 samples without authorization.
9. Sales for anything other than cash or check.
10. Delivery without invoice by wholesaler.
11. Selling to the insane.
12. Selling to bootleggers.
13. Accepting food stamps in payment for controlled beverages.
14. Unlawful manufacture or sale in dry area.
15. Sale of controlled beverage by vending machine.



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. Failure to surrender permit when business has been voluntarily inoperative for over thirty (30) days.
6. Storing controlled beverages in unauthorized warehouses (each day to constitute a separate offense after notice).
7. 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 of the Alcoholic Beverage Control Division.
8. Use of unlabeled dispensing faucet.
9. Failure of retailer to keep and maintain records.
10. Unauthorized sale of broken packages and merchandise.
11. Negligently allowing prostitutes to frequent the premises.
12. Allowing immoral conduct on premises.
13. Disposing of or receiving samples by retailer.
14. Negligently selling to the users of narcotics.
15. Delivery of controlled beverages by a retailer away from his permitted premises.
16. Sale of controlled beverages in container or of a size other than approved.
17. Misrepresentation of brand, keeping beverages in unauthorized container, refilling, diluting, or failure to destroy empty bottles.
18. Failure to maintain membership books or properly maintain guestbooks by private club.
19. Unauthorized guest in private club.
20. Dispensing to nonmembers and/or nonguests by a private club.
21. Unauthorized purchasing by private club from other than retailer.
22. Failure of private club to maintain financial records.
23. Failure by private club to furnish name and address of authorized public accountant and bookkeeper.
24. Unauthorized advertising by private club.
25. Unauthorized transportation of alcoholic beverages through dry area without a permit.
26. Failure to keep and maintain records or make report.

**Exemptions:**

None

**History:**

Act 790 of 1981 authorized Alcoholic Beverage Control Fines.

Act 296 of 1989 authorized 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 (3) times the fine for the same violation within a twelve-month period.

Act 172 of 1993 increased certain Alcoholic Beverage Control fines.

Act 1210 of 1997 increased the minimum fine for the criminal offense of purchasing or possessing intoxicating liquor by a minor from ten dollars (\$10.00) to one hundred dollars (\$100).

Act 305 of 1999 provided 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 one hundred dollars (\$100) to five hundred dollars (\$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 authorized the direct assessment of liquor and wine excise taxes for persons who purchases untaxed liquor and wine.

Act 1300 of 2013 required private clubs, that are not food service establishments, to post warning signs related to drinking alcoholic beverages during pregnancy; and allowed for fines up to five hundred dollars (\$500) for violations.

Act 860 of 2019 required a permit holder that sells or dispenses alcoholic beverages to post a warning sign of the dangers of drinking alcoholic beverages during pregnancy.

**Revenues Generated:**

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 190,120	(20.39)
2014	\$ 180,400	(5.11)
2015	\$ 138,900	(23.00)
2016	\$ 300,800	116.56
2017	\$ 418,350	39.08
2018	\$ 390,900	(6.56)
2019	\$ 363,925	(6.90)
2020	\$ 374,350	2.86
2021	\$ 181,390	(51.55)
2022	\$ 374,410	106.41
2023	\$ 355,250	(5.12)
2024	\$ 217,540	(38.76)

**Distribution of Tax:**

General Revenues

**Administered by:**

Director of the Alcoholic Beverage Control Division

**Cite:**

Arkansas Code (1987) 3-4-402 et seq.; 3-4-502; 3-9-102

### 3.2. ALCOHOLIC BEVERAGE CONTROL TRANSCRIPT FEES

The Alcoholic Beverage Control (ABC) transcript fees are a charge for the transcript of record of proceedings held before the Director of the ABC Division, 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 Division and where an appeal is taken from a decision of the ABC Division to a Circuit Court. The Director of the ABC Division collects the fees and deposits them into the general revenue of the state.

**Rate and Base:**

1. One dollar and fifty cents (\$1.50) per page (original)
2. Forty cents (40¢) per page (copies)

**Exemptions:**

None

**History:**

Act 790 of 1981 authorized the transcript fees.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	-0-	
2014	-0-	
2015	-0-	
2016	-0-	
2017	-0-	
2018	-0-	
2019	-0-	
2020	-0-	
2021	-0-	
2022	-0-	
2023	-0-	
2024	-0-	

**Distribution of Tax:**

General Revenues

**Administered by:**

Director of the Alcoholic Beverage Control Division

**Cite:**

Arkansas Code (1987) 3-2-217

### 3.3. BEER ENFORCEMENT TAX

A consumer 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 Secretary of the Department of Finance and Administration for deposit in the State Treasury.

**Rate and Base:**

Twenty-five cents (25¢) per thirty-two (32) gallon barrel of beer

**Exemptions:**

None

**History:**

Act 271 of 1969 imposed the consumers enforcement tax of twenty-five cents (25¢) per thirty-two gallon (32 gal.) barrel of beer 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.

Act 271 of 2021 amended the law to tax mead in the same manner as wine.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 431,009	1.98
2014	\$ 421,398	(2.23)
2015	\$ 396,882	(5.82)
2016	\$ 425,172	7.13
2017	\$ 399,989	(5.92)
2018	\$ 393,473	(1.63)
2019	\$ 389,161	(1.10)
2020	\$ 384,419	(1.99)
2021	\$ 417,031	8.48
2022	\$ 410,730	(1.51)
2023	\$ 401,218	(2.32)
2024	\$ 396,062	(1.29)

**Distribution of Tax:**

General Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 3-7-111(a)(1)(B)

### 3.4. BEER PERMITS

For the privilege of selling beer, a permit must be obtained from the Alcoholic Beverage Control (ABC) Division and a fee paid for the permit from the wholesaler or retailer.

**Rate and Base:**

1. Wholesale dealer, broker, or distributor – \$1,000 per county served up to a maximum of \$5,000
2. Retail Permit (county and municipal):
 

<u>Annual Gross Sales</u>	<u>Fee</u>
\$0 – \$1,000	\$15
\$1,001 – \$2,000	\$20
Over \$2,000	additional \$5.00, per \$1,000
3. Manufacturer.....\$750
4. Microbrewery Restaurant.....\$750
5. Beer Festival Permit.....\$250 per event
6. Small Brewer.....\$300
7. Small Brewer Wholesale Permit.....\$250
8. Sampling Permit:
 

Beer only.....	\$250
Combination.....	\$500
9. Nonresident Seller’s Permit:
 

<u>Barrels Distributed</u>	<u>Fee</u>
0 – 199.....	\$350
200 – 1,000.....	\$1,000
> 1,000.....	\$2,000
10. Wholesaler Support Center
 

Permit Annual Permit.....	\$2,000
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11. Retail Small Brewery.....\$15
12. Wholesaler Fee Per Establishment.....\$700
13. Microbrewery-Restaurant
 

Private Club.....	\$1,500
Add'l application fee if in dry area.....	\$1,500
14. Hard Cider Manufacturing Permit.....\$300
15. Special Application Fee.....\$50
16. Off-premise Caterer's Permit.....\$500
17. Post Exchange Package Permit.....\$1,000
18. Hard Cider Manufacturing Wholesale Permit.....\$250
19. Restaurant Beer and Wine.....\$350

**Exemptions:**

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

**History:**

Act 7 of the First (1<sup>st</sup>) Extraordinary Session of 1933 was approved on August 24, 1933, shortly before the ratification of the 21st amendment to the United States 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 three and two-tenths percent (3.2%) by weight and established the following permit fees:

1. Wholesaler – fifty dollars (\$50.00) for each county served up to a maximum of two hundred fifty dollars (\$250)
2. Manufacturer – five hundred dollars (\$500)
3. Retailer – ten dollars to twenty dollars (\$10.00 – \$20.00) depending on sales

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

Act 617 of 1989 authorized post exchange permits, which allowed for the retail sale of alcoholic beverages for off-premises consumption on property under the control of the Military Department of Arkansas. The annual fee for a post exchange permit is one hundred dollars (\$100).

Act 611 of 1991 established 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 provided for a permit fee of two hundred fifty dollars (\$250) for each county in which a broker, distributor, or wholesale dealer operates. The tax shall not exceed one thousand dollars (\$1,000).

Act 491 of 1995 provided that a microbrewery-restaurant licensee pay a seven hundred fifty dollar (\$750) annual license fee.

Act 537 of 1995 established the procedures for issuance of nonresident permits. Permit fees range from one hundred dollars (\$100) to one thousand dollars (\$1,000), based on amount shipped into the State.

Act 1065 of 1999 authorized a beer festival permit linked to a three-day event, an area that allowed alcohol sales, a "secure area," and Sunday sales only where allowed. Participation by non-licensed participants required an Arkansas licensed distributor to temporarily warehouse, and collect a \$7.507808 per barrel tax on, non-licensed products.

Act 455 of 2007 allowed 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 created a new category of beer license in which a sales and use tax permit as well as a small brewery wholesale permit is required.

Act 857 of 2015 exempted microbrewery-restaurants from the privilege tax on businesses involved in the production and distribution of beer. The Act made additional changes to the requirements for microbreweries and small brewers.

Act 1237 of 2015 provided for the production of hard cider.

Act 681 of 2019 established a microbrewery-restaurant private club permit and authorized a microbrewery-restaurant private club permit holder in a dry county to sell alcoholic beverages for on-premises consumption if the governing body of the county initiates the permitting process.

Act 691 of 2019 established a hard cider manufacturing permit and amended existing alcoholic beverage permits to authorize the sale of hard cider.

Act 319 of 2023 reduced the permit fees for sampling permits.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 1,262,575	13.42
2014	\$ 1,165,235	(7.71)
2015	\$ 1,269,245	8.93
2016	\$ 1,287,105	1.41
2017	\$ 1,349,435	4.84
2018	\$ 1,188,600	(11.92)
2019	\$ 1,204,530	1.34
2020	\$ 791,450	(34.29)
2021	\$ 1,157,530	46.25
2022	\$ 1,648,438	42.41
2023	\$ 1,237,975	(24.90)
2024	\$ 1,440,877	16.39

**Distribution of Tax:**

General Revenues

**Administered by:**

Alcoholic Beverage Control Division

**Cite:**

Arkansas Code (1987) 3-4-605; 3-4-611; 3-4-701; 3-4-902; 3-4-1001; 3-5-104; 3-5-105; 3-5-205; 3-5-209; 3-5-212; 3-5-1205; 3-5-1306; 3-5-1405; 3-5-1406; 3-5-1408; 3-5-1903

**3.5. BEER TAX**

The beer tax is levied at the wholesale level on beer and hard cider and is passed on to the retailer. The wholesaler remits the tax to the Secretary of the Department of Finance and Administration, who deposits the money in the State Treasury.

**Rate and Base:**

Seven dollars and fifty cents (\$7.50) per barrel of thirty-two gallons (32 gals.) of beer having an alcoholic content of five percent (5%) or less and hard cider

**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 United States Constitution (ratified by the States effective on January 19, 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 fifth (5<sup>th</sup>) 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 the 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 First (1<sup>st</sup>) Extraordinary Session of 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 three and two-tenths percent (3.2%) by weight.

Section 3 of Act 7 levied a tax at the rate of one dollar (\$1.00) for thirty-two gallons (32 gals.) 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 (1<sup>st</sup>) Extraordinary Session of 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 three and two-tenths percent (3.2%) by weight.

At the time of the adoption of Amendment 19 to the Arkansas Constitution in 1934, which restricted the General Assembly's ability to levy taxes, 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 three and two-tenths percent (3.2%) or less by weight;
2. Native wine manufactured for shipment outside the State;
3. Native brandy manufactured for shipment outside the State.

Act 69 of 1935 authorized the manufacture and sale of native wine in Arkansas.

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. The act defined the word “spirituous” to mean liquor distilled from the fermented juices of grain, fruits, or vegetables and containing more than twenty-one percent (21%) alcohol by weight, or any other liquids containing more than twenty-one percent (21%) alcohol by weight.

The word “vinous” was defined to mean the fermented juices of fruits, except wine, and containing more than five percent (5%) and not more than twenty-one percent (21%) 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 (5%) alcohol by weight.

Act 108 excluded from the definition of “malt liquors” beer containing not more than five percent (5%) alcohol by weight, and all other malt beverages containing not more than five percent (5%) 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 gallage 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 three and two-tenths percent (3.2%) percent alcoholic content and not more than five percent (5%) alcoholic content, would be taxed at the same rate of tax

provided under Act 7 of the 1933 Extraordinary Session, one dollar (\$1.00) per barrel of thirty-two gallons (32 gals.).

Act 108 of 1947 amended Act 109 of 1935, and increased the gallage 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 thirty-two gallons (32 gals.)

Act 169 of 1969 increased the beer tax to seven dollars and fifty cents (\$7.50) per barrel of thirty-two gallons (32 gals.) on all beer having an alcoholic content in excess of three and two-tenths percent (3.2%) by weight.

Act 844 of 1983 increased the tax from seven dollars and fifty cents (\$7.50) to eight dollars and seventy-five cents (\$8.75) per thirty-two (32) gallon barrel having an alcoholic content of more than three and two-tenths percent (3.2%) but not more than five percent (5%). Act 844 of 1983 contained a provision by which the tax would revert to seven dollars and fifty cents (\$7.50) per thirty-two (32) gallon barrel if and when the State sales tax was increased.

Act 63 of the First (1<sup>st</sup>) Extraordinary Session of 1983 increased that State sales tax. Due to this, the beer tax reverted to seven dollars and fifty cents (\$7.50) per thirty-two gallon (32 gal.) barrel.

Act 424 of 1987 imposed the seven dollars and fifty cents (\$7.50) per thirty-two gallon (32 gal.) barrel tax upon light beer.

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

Act 614 of 2017 provided for a change in the tax rebate for qualified manufacturers of beer and malt beverages.

Act 671 of 2017 provided for equalizing the excise tax rates of beer and hard cider.

Act 672 of 2017 provided for equalizing the taxation of leased or rented beer kegs with the sale of beer kegs under the gross receipts tax law.

## Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 16,924,900	2.65
2014	\$ 16,782,318	(0.84)
2015	\$ 16,087,078	(4.14)
2016	\$ 17,165,293	(6.70)
2017	\$ 16,355,996	(4.71)
2018	\$ 16,128,647	(1.39)
2019	\$ 15,950,057	(1.11)
2020	\$ 16,234,008	1.78
2021	\$ 17,778,655	9.51
2022	\$ 17,509,692	(1.51)
2023	\$ 17,525,702	0.09
2024	\$ 17,435,420	(0.52)

### Distribution:

General Revenues

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 3-7-104(6)(A); 3-7-108

## 3.6. IMPORTED WINE TAX

The tax on vinous liquor, manufactured outside the confines of Arkansas, defined as the fermented juices of fruit having more than five percent (5%) and not more than twenty-one percent (21%) of alcohol by weight, and light wine, defined as fermented juices of fruit having between one-half of one percent (0.5%) and five percent (5%) alcohol by weight, shall be taxed by the Secretary of the Department of Finance and Administration, who shall remit the money collected from wholesalers to the State Treasury.

### Rate and Base:

Seventy-five cents (75¢) per gallon of vinous liquor

Twenty-five cents (25¢) per gallon of light wine

### Exemptions:

Sacramental wine

### History:

Act 7 of the First (1<sup>st</sup>) 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 three and two-tenths percent (3.2%) 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 three and two-tenths percent (3.2%) 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% by weight.

Section 3 of Act 7 levied a tax at the rate of one dollar (\$1.00) for thirty-two gallons (32 gals.), 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 First (1<sup>st</sup>) Extraordinary Session of 1933 (approved on August 24, 1933) was passed shortly before the ratification of the Amendment 21, but authorized the lawful manufacture and sale of only non-intoxicating beer and light wine having an alcohol content of not in excess of thirty-two percent (3.2%) by weight.

Act 108 of 1935, also known 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 twenty-one percent (21%) alcohol by weight, or any other liquids containing more than 21% alcohol by weight.

The word “vinous” was defined to mean the fermented juices of fruits, except wine, and containing more than five percent (5%) and not more than twenty-one percent (21%) 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 ten cents (10¢) per gallon to seventy-five cents (75¢) per gallon.

Act 424 of 1987 imposed a tax of twenty-five cents (25¢) per gallon on all light wines and wine coolers.

Act 902 of 1987 exempted all sacramental wines from all taxes levied on wine and wine coolers.

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

Act 673 of 2017 provided for the proper process for paying taxes for shipments of wine under the Direct Shipment of Vinous Liquor Act.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 2,512,140	2.02
2014	\$ 2,494,318	(0.71)
2015	\$ 2,515,068	0.83
2016	\$ 2,594,055	3.14
2017	\$ 2,614,239	0.78
2018	\$ 3,016,147	15.37
2019	\$ 3,055,388	1.30
2020	\$ 3,022,923	(1.06)
2021	\$ 3,321,508	9.88
2022	\$ 3,325,891	0.13
2023	\$ 3,212,915	(3.40)
2024	\$ 3,012,249	(6.25)

**Distribution of Tax:**

General Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 3-7-104(4)(A); 3-7-104(5)(B); 3-7-108; 3-7-115

### 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 Division. The Director issues the permits and collects the fees. The fees are general revenue and are deposited into the State Treasury.

**Rate and Base:**

1. Wholesaler (permit fee + add'l tax).....	\$10,000
2. Minimum Wholesaler .....	\$ 2,500
3. Rectifying, blending, or flavoring spirituous liquors.....	\$ 1,500
4. On-Premise Consumption:	
Hotel or Restaurant minimum.....	\$ 750
Hotel or Restaurant maximum .....	\$ 1,500
Large Meeting or Attendance Facility .....	\$ 2,500
Private Club .....	\$ 1,500
Add'l application fee if in dry area.....	\$ 1,500
Microbrewery-Restaurant Private Club .....	\$ 1,500
Add'l application fee if in dry area.....	\$ 1,500
Large Attendance Facility Mixed Drink .....	\$ 3,000
Private Club Bed & Breakfast .....	\$ 75
5. Retailer (permit fee + add'l tax).....	\$ 850
6. Distilling or manufacturing spirituous liquors or malt liquors.....	\$ 300
7. Manufacturing vinous liquors; except small farm wines .....	\$ 500
8. Distilling brandy or spirituous liquors for use only in fortifying of natural wines ....	\$ 250
9. Retail dealer of non-intoxicating liquor.....	\$ 350
10. Sampling Permit:	
Wine, Beer, or Spirits only .....	\$ 250
Combination .....	\$ 500
11. Manufacture and sale of brandy, cordials, and other distillates .....	\$ 250
12. Hard Cider Manufacturing Permit .....	\$ 300
13. Brand registration .....	\$ 15
14. Supplier registration.....	\$ 50
15. Off-premise caterer's permit .....	\$ 500
16. Post Exchange Package Permit.....	\$ 1,000
17. Excursion Train Permit.....	\$ 200
18. Military Service Club Mixed Drink.....	\$ 750

**Exemptions:**

Agencies of the Armed Forces of the United States

**History:**

Act 108 of 1935, also known as The “Arkansas Alcoholic Control Act,” better known as The “Thorn Liquor Law.” legalized the sale of alcoholic beverages. 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

Act 302 of 1939, added a two hundred fifty dollar (\$250) fee for a permit for distilling brandy and/or spirituous liquors for use only in the fortifying of native wines.

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 – Fifty dollars (\$50)
- (b) Hotel – Fifty dollars (\$50) minimum, one thousand dollars (\$1,000) maximum
- (c) Restaurant – Five hundred dollars (\$500) minimum, one thousand dollars (\$1,000) maximum

Act 271 of 1969 increased the wholesale fee to one thousand dollars (\$1,000) and the retail permit to five hundred dollars (\$500).

Act 617 of 1989 authorized post exchange permits, which allowed for the retail sale of alcoholic beverages for off-premises consumption on property under the control of the Military Department of Arkansas. The annual fee for a post exchange permit is one hundred dollars (\$100).

Act 528 of 1993 imposed a special tax of two hundred dollars (\$200) on each dealer in non-intoxicating liquor.

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

Act 294 of 2009 increased permit fees for the manufacture, sale, and distribution of alcoholic beverages.

Act 1105 of 2013 required brand labels be registered before they are shipped into the State, and the fifteen dollar (\$15) registration fee be deposited to the Alcoholic Beverage Control Fund. It required a fifty dollar (\$50) permit fee for supplier registration.

Act 1143 of 2015 made the permit fee for distilleries the same as that for beer permits.

Act 681 of 2019 established a microbrewery-restaurant private club permit and authorized a microbrewery-restaurant private club permit holder in a dry county to sell alcoholic beverages for on-premises consumption if the governing body of the county initiates the permitting process.

Act 691 of 2019 established a hard cider manufacturing permit and amended existing alcoholic beverage permits to authorize the sale of hard cider.

Act 68 of 2021 established an excursion train permit and authorized an excursion train permit holder to sell and serve alcoholic beverages to a ticketed passenger or to an individual of legal age attending a chartered event on the excursion train.

Act 319 of 2023 reduced the permit fees for sampling permits.



## Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 2,908,693	0.84
2014	\$ 2,804,765	(3.57)
2015	\$ 3,166,355	12.89
2016	\$ 2,982,671	(5.80)
2017	\$ 3,078,594	3.22
2018	\$ 3,157,478	2.56
2019	\$ 2,691,935	(14.74)
2020	\$ 2,676,942	(0.56)
2021	\$ 3,289,535	22.88
2022	\$ 3,728,759	13.35
2023	\$ 3,062,318	(17.87)
2024	\$ 3,282,559	7.19

## Distribution of Tax:

General Revenues

## Administered by:

Director of the Alcoholic Beverage Control Division

## Cite:

Arkansas Code (1987) 3-2-403; 3-4-602; 3-4-603; 3-4-604; 3-4-604; 3-4-605; 3-4-607; 3-4-608; 3-4-611; 6-4-612; 3-4-701; 3-4-706; 3-4-902; 3-5-104; 3-5-205; 3-5-1903; 3-6-104; 3-7-111; 3-9-212; 3-9-222; 3-9-227

## 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 twenty-one percent (21%) of alcohol by weight, and the tax on malt liquor, defined as brewed from the fermented juices of grain and containing more than fifty percent (50%) 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 Division of the Department of Finance and Administration, which deposits the taxes in the State Treasury as liquor tax.

### Rate and Base:

1. Two dollars and fifty cents (\$2.50) on each gallon of spirituous liquor;
2. Twenty cents (20¢) on each gallon of malt liquor;
3. One dollar (\$1.00) on each gallon of premixed spirituous liquor; and
4. Fifty cents (50¢) on each gallon of 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, alcoholic beverages sold to agencies of the armed forces of the United States, and a confectionery containing less than five percent (5%) by volume of alcohol, if the alcohol is in a non-liquid form as a result of being mixed with other substances.

### 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 16, 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.

Act 108 of 1935, also known as “The Thorn Liquor Law,” 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 twenty-one percent (21%) of alcohol by weight;
2. Vinous shall mean the fermented juices of fruits, except wine, and containing more than five percent (5%) and not more than twenty-one percent (21%) of alcohol by weight;

3. Malt shall mean liquor brewed from fermented juices of grain and containing more than five percent (5%) of alcohol by weight.

Act 108 also provided that beer containing not more than five percent (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 three and two-tenths percent (3.2%) of alcohol by weight and not more than five percent (5%) of alcohol by weight shall be taxed and regulated as provided for malt and vinous beverages containing not more than three and two-tenths percent (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.

Act 109 of 1935 imposed the first tax on spirituous, vinous, and malt liquors as follows:

1. Excise tax of five cents (5¢) for each proof gallon or distilled spirits for which a permit is issued;
2. Forty cents (40¢) on each gallon of spirituous liquor;
3. Ten cents (10¢) on each gallon of vinous liquor (except wines);
4. Three cents (3¢) on each gallon of malt liquor.

Act 236 of 1937 amended Act 109 of 1935 by imposing a tax of forty cents (40¢) on each gallon of spirituous liquor and an additional tax of twenty-five cents (25¢) on each gallon of spirituous liquor.

Act 18 of the First (1<sup>st</sup>) Extraordinary Session of 1938 added a second “additional tax” of fifteen cents (15¢) a gallon on spirituous liquor, raised the tax on vinous liquor to fifty cents (50¢) a gallon, and retained the three cents (3¢) per gallon tax on malt liquor.

Act 176 of 1939 levied an inspection fee of sixty cents (60¢) per case, not exceeding three gallons (3 gals.), 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 three percent (3%) of the wholesale price. The retailer was to pass it on to the consumer by collecting two percent (2%) on all retail sales of liquor.

Act 393 of 1939 added a third “additional” tax of thirty-two cents (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 one dollar and twelve cents (\$1.12) on each gallon, raised the tax on vinous liquor to sixty cents (60¢) on each gallon and raised the tax on malt liquor to twenty cents (20¢) on each gallon.

Act 313 of 1945 imposed an additional tax of thirty-eight cents (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 two dollars and fifty cents (\$2.50) on each gallon of spirituous liquor and the tax on vinous liquor to seventy-five cents (75¢) on each gallon and retained the twenty cents (20¢) per gallon tax on malt liquor.

Act 844 of 1983 increased the tax on spirituous liquor to two dollars and seven-eighths of a dollar (\$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 First (1<sup>st</sup>) Extraordinary Session of 1983 increased the State sales tax; therefore, the liquor tax reverted to two dollars and fifty cents (\$2.50) per gallon.

Act 424 of 1987 imposed a tax of one dollar (\$1.00) per gallon on pre-mixed spirituous liquor and fifty cents (50¢) per gallon on light spirituous liquor.

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

Act 1035 of 2017 created the Chocolate-Covered Cherry Freedom Act of 2017 to allow the transportation into Arkansas of alcohol-infused candies.

Act 271 of 2021 levies a tax on mead in the same amount and manner as wine.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 9,435,791	5.48
2014	\$ 9,290,420	1.54
2015	\$ 9,762,828	5.08
2016	\$ 9,916,438	1.57
2017	\$ 10,054,118	1.39
2018	\$ 10,517,322	4.61
2019	\$ 10,075,330	(4.20)
2020	\$ 11,041,802	9.5
2021	\$ 12,923,774	17.04
2022	\$ 12,829,141	(0.73)
2023	\$ 12,534,960	(2.29)
2024	\$ 12,758,882	1.79

**Distribution of Tax:**

General Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 3-1-103; 3-7-104; 3-7-108

### 3.9. LIQUOR ENFORCEMENT TAX

This tax on liquor, cordials, liqueurs, premixed spirituous liquors, 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 Secretary of the Department of Finance and Administration and deposited in the State Treasury.

#### Rate and Base:

Twenty cents (20¢) per case – twenty-one percent (21%) alcohol or more by weight

Five cents (5¢) per case – if less than twenty-one percent (21%) alcohol by weight

#### Exemptions:

None

#### History:

Act 282 of 1949 imposed a twenty-five cents (25¢) per case tax which fixed the prices of spirituous, vinous, or malt liquors, 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 Arkansas liquor control and enforcement Acts.

Act 385 of 1953 reduced the tax to twenty cents (20¢) per case.

Act 106 of 1971 repealed the provisions of Act 282 concerning price regulations.

Act 424 of 1987 levied a five cents (5¢) per case tax on light alcohol.

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 299,551	18.70
2014	\$ 297,680	(0.62)
2015	\$ 316,801	6.42
2016	\$ 324,855	2.54
2017	\$ 330,054	1.60
2018	\$ 347,890	5.40
2019	\$ 348,580	0.20
2020	\$ 369,819	6.09
2021	\$ 439,158	18.75
2022	\$ 441,757	0.59
2023	\$ 437,356	(1.00)
2024	\$ 447,785	2.38

#### Distribution of Tax:

General Revenues

#### Administered by:

Revenue Division of the Department of Finance and Administration

#### Cite:

Arkansas Code (1987) 3-7-111(b)(1)(A); 3-7-111 (b)(1)(B)

### 3.10. MIXED DRINK TAX

The sale of alcoholic beverages other than beer or wine for on-premises consumption is subject to a tax of fourteen percent (14%) upon the gross receipts in addition to the gross receipts tax levied by Arkansas Code § 26-52-101 et seq. The tax shall be paid to the Secretary of the Department of Finance and Administration, who shall deposit the monies in the State Treasury. The tax may be passed on to the consumer.

#### Rate and Base:

Fourteen percent (14%) upon gross receipts

#### Exemptions:

None

#### History:

Act 132 of 1969 authorized on-premises consumption of alcoholic beverages other than beer or native wine, and a supplemental tax of ten percent (10%) was levied upon the gross receipts.

Act 844 of 1983 increased the mixed drinks supplemental tax to twelve percent (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 ten percent (10%).

Act 1000 of 1985 levied an additional three percent (3%) mixed drink tax for the period July 1, 1985, until 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 thirteen percent (13%).

Act 639 of 1987 levied an additional three percent (3%) mixed drink tax for the period July 1, 1987, until 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 thirteen percent (13%).

Act 908 of 1989 levied an additional tax of four percent (4%) on the gross proceeds or gross receipts from the sale of alcoholic beverages sold for on-premises consumption. Beer and wine are exempt from the tax.

Act 261 of the First (1<sup>st</sup>) Extraordinary Session of 1989 re-enacted the additional tax of four percent (4%) on the gross proceeds or gross receipts from the sale of mixed drinks.

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

Act 335 of 2003 required Department of Finance and Administration to notify cities and counties of audits resulting in additional mixed drink taxes being owed.

Act 1274 of 2005 continued the four percent (4%) supplemental mix drink tax first levied in 1989. A supplemental four percent (4%) tax is also levied on private clubs for the privilege of serving mixed drinks and proceeds go to University of Arkansas for Medical Sciences.

## Revenues Generated:

### General Revenues

As in effect on and after July 1, 2011, general revenue collections from the mixed drink tax are included in the sales tax collections.

### Special Revenues

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 2,829,073	7.87
2014	\$ 2,996,220	5.91
2015	\$ 3,268,591	9.09
2016	\$ 3,535,623	8.17
2017	\$ 3,728,145	5.45
2018	\$ 4,007,859	7.50
2019	\$ 4,457,254	11.21
2020	\$ 4,002,919	(10.19)
2021	\$ 4,326,959	8.10
2022	\$ 6,334,951	46.41
2023	\$ 7,258,761	14.58
2024	\$ 7,510,517	3.47

### Distribution of Tax:

General Revenues, ten percent (10%); special revenues four percent, (4%) credited to the University of Arkansas Medical Center Fund.

### Administered by:

Revenue Division of the Department of Finance and Administration

### 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 Secretary of the Department of Finance and Administration for deposit in the State Treasury.

### Rate and Base:

Five cents (5¢) on each case of native wine

### Exemptions:

None

### History:

Act 108 of 1935 exempted native wine from the definition of and tax rate applied to "vinous liquor".

Act 271 of 1969 imposed the native wine enforcement tax of five cents (5¢) per case 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 imposed the five cents (5¢) per case enforcement tax on light wines and wine coolers.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 6,708	9.23
2014	\$ 7,008	4.47
2015	\$ 5,983	(14.63)
2016	\$ 5,254	(12.18)
2017	\$ 5,885	12.01
2018	\$ 5,359	(8.94)
2019	\$ 4,626	(13.68)
2020	\$ 4,216	(8.86)
2021	\$ 4,321	2.49
2022	\$ 3,702	(14.32)
2023	\$ 3,273	(11.59)
2024	\$ 3,383	3.35

### Distribution of Tax:

General Revenues

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 3-7-111(a)(1)(A)

### 3.12. SMALL FARM WINERY TAX

The manufacture of wine made from juices of grapes, berries, and other fruits by a small farm winery is taxed at the winery and is paid by the manufacturer upon completion of fermentation to the Secretary of the Department of Finance and Administration and is remitted to the State Treasury.

#### Rate and Base:

Seventy-five cents (75¢) per gallon of wine  
Twenty-five cents (25¢) per gallon of light wine

#### Exemptions:

Sacramental wines

#### History:

Act 4 of the Extraordinary Session of 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 (10¢) 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, which restricted the General Assembly's ability to levy taxes.

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 (5¢) 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 five cents (5¢) per 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 seventy-five cents (75¢) per gallon. Distribution of this tax is as follows: seventy cents (70¢) to be deposited as general revenue; five cents (5¢) to be deposited as special revenue and credited to the University of Arkansas Fund.

Act 424 of 1987 imposed a tax of twenty-five cents (25¢) per gallon on all light wines and wine coolers.

Act 902 of 1987 exempted sacramental wines from all taxes levied on wine.

Act 668 of 2007 created the small farm winery to promote economic development and tourism and set 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
2013	\$ 251,625	11.61
2014	\$ 261,852	4.06
2015	\$ 229,373	(12.40)
2016	\$ 201,631	(12.09)
2017	\$ 222,842	10.52
2018	\$ 202,229	(9.25)
2019	\$ 169,358	(16.25)
2020	\$ 157,981	(6.72)
2021	\$ 157,005	(0.62)
2022	\$ 138,600	(11.72)
2023	\$ 121,529	(12.32)
2024	\$ 122,081	0.45

#### Distribution of Tax:

General Revenues

#### Administered by:

Revenue Division of the Department of Finance and Administration

#### Cite:

Arkansas Code (1987) 3-5-1605(a)(5) and 3-5-1605(a)(6)

### **3.13. ONE PERCENT (1%) BEVERAGE EXCISE TAX**

**Cite:**

Arkansas Code (1987) 3-7-201

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:**

One percent (1%) of retail beer receipts

#### **Exemptions:**

None

#### **History:**

Act 1841 of 2001, also known as the “Child Care for Working Families Act,” levied an alcoholic beverage excise tax of three percent (3%) upon all retail sales of beer to be deposited into the Department of Human Services Grants Fund Account and distributed eighty percent (80%) to Arkansas Better Chance Program, and the remaining twenty percent (20%) to child care for low income families. Expires June 30, 2003.

Act 272 of 2003 extended the expiration date, as reflected above in Act 1841 of 2001, to June 30, 2005.

Act 2188 of 2005 extended the three percent (3%) retail beer tax until June 30, 2007.

Act 869 of 2007 levied a one percent (1%) special alcoholic beverage excise tax upon all retail receipts or proceeds derived from the sale of beer.

Act 982 of 2011 excluded beer sales from the three percent (3%) excise tax.

#### **Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	-0-	
2014	-0-	
2015	-0-	
2016	-0-	
2017	-0-	
2018	-0-	
2019	-0-	
2020	-0-	
2021	-0-	
2022	-0-	
2023	-0-	
2024	-0-	

As in effect on and after July 1, 2011, general revenue collections from the one percent (1%) beverage excise tax are included in the beer tax collections.

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

General Revenues

#### **Administered by:**

Revenue Division of the Department of Finance and Administration

### 3.14. THREE PERCENT (3%) BEVERAGE EXCISE TAX

A special alcoholic beverage excise tax of three percent (3%) is levied upon all retail receipts or proceeds derived from the sale of liquor, cordials, liqueurs, specialties, mead, and sparkling and still wines. The tax is collected by the retailer in addition to the retail price of such products and remitted to the Secretary of the Department of Finance and Administration. This tax is in addition to the gross receipts tax.

**Rate and Base:**

Three percent (3%) of retail receipts

**Exemptions:**

None

**History:**

Act 252 of 1951 levied the three percent (3%) excise tax on liquor, cordials, liqueurs, specialties, sparkling and still wines that remains in place.

Act 1052 of 1985 specifically included native wine sold at retail for the three percent (3%) excise tax.

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

Act 1841 of 2001, also known as the “Child Care for Working Families Act,” levied an alcoholic beverage excise tax of three percent (3%) upon all retail sales of beer to be deposited into the Department of Human Services Grants Fund Account and distributed eighty percent (80%) to Arkansas Better Chance Program, and the remaining twenty percent (20%) to child care for low income families. Expires June 30, 2003.

Act 272 of 2003 extended the expiration date, as reflected above in Act 1841 of 2001, to June 30, 2005.

Act 2188 of 2005 extended the three percent (3%) retail beer tax until June 30, 2007.

Act 982 of 2011 excluded beer sales from the three percent (3%) excise tax.

Act 271 of 2021 levied a 3% tax on mead.

**Revenues Generated:**

**General Revenue**

Fiscal Year Ending June 30	Amount	%Change
2013	-0-	
2014	-0-	
2015	-0-	
2016	-0-	
2017	-0-	
2018	-0-	
2019	-0-	
2020	-0-	
2021	-0-	
2022	-0-	
2023	-0-	
2024	-0-	

As in effect on and after July 1, 2011, general revenue collections from the beverage excise tax are included in the sales tax collections

**Special Revenues**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 24,085	11.85
2014	\$ 4,876	(79.76)
2015	\$ 2,355	(51.70)
2016	\$ 2,150	(8.70)
2017	\$ 4,102	90.79
2018	\$ 102	(97.51)
2019	-0-	(100.00)
2020	\$ 5	100.00
2021	-0-	(100)
2021	-0-	
2023	-0-	
2024	-0-	

**Distribution of Tax:**

General Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 3-7-201

### 3.15. WINE PERMITS

Wine permit fees are collected by the Director of the Alcoholic Beverage Control Division and deposited into the State Treasury.

**Rate and Base:**

1. For the privilege of manufacturing wine in quantities not to 5,000 gallons, a license fee of \$200 is paid by the manufacturer.
2. For the privilege of manufacturing small farm wine in excess of 5,000 gallons, a license fee of \$400 is paid by the manufacturer.
3. For the privilege of selling small farm winery wine, except by a manufacturer for consumption at his winery, there is paid for each retail dealer’s license a fee of \$100.
4. For the privilege of selling small farm winery wine, except by a manufacturer at his winery, there is to be paid for each wholesale dealer’s license a fee of \$100.
5. For the privilege of selling wine in a restaurant or cafe, the fee is \$300.
6. Wholesale dealers, brokers, or distributors in light wine – \$1,000 per county, not to exceed \$5,000.
7. Sampling Permit:  
Wine, beer, or spirits only – \$250  
Combination – \$500
8. Selling wine on premise – \$500
9. Supplier registration – 50
10. Direct wine shipment registration – \$25
11. Restaurant beer and wine – \$350
12. Grocery store wine permit:  
Less than 35,001 sq. ft. – \$1,000  
35,001 - 50,000 sq. ft. – \$2,500  
50,001 - 75,000 sq. ft. – \$3,500  
More than 75,000 sq. ft. – \$5,000
13. Off-premise caterer's permit – \$500
14. Post Exchange Package Permit – \$1,000
15. Excursion Train Permit – \$200

**Exemptions:**

Agencies of the armed forces of the United States  
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 two hundred gallons (200 gals.)

**History:**

Act 69 of 1935, known as the “Native Wine Law,” established fees for wine permits and have not been changed.  
Act 120 of 1965 authorized the selling of wine in a restaurant.  
Act 617 of 1989 authorized post exchange permits, which allowed for the retail sale of alcoholic beverages for

off-premises consumption on property under the control of the Military Department of Arkansas. The annual fee for a post exchange permit is one hundred dollars (\$100).

Act 528 of 1993 provided for a special tax of two hundred fifty dollars (\$250) for each county in which a broker, dealer, or wholesale dealer operates. The tax shall not exceed one thousand dollars (\$1,000).

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

Act 668 of 2007 added requirements for small farm wineries and repealed the subchapter on native wine.

Act 294 of 2009 increased permit fees for the manufacture, sale, and distribution of alcoholic beverages.

Act 483 of 2013 allowed direct shipment of vinous liquor to Arkansas residents by registered wineries.

Act 508 of 2017 established a retail off-premises permit for the sale of wine at grocery stores and provided additional grant funds to support Arkansas wine production and wine tourism in the State.

Act 68 of 2021 established an excursion train permit and authorized an excursion train permit holder to sell and serve alcoholic beverages to a ticketed passenger or to an individual of legal age attending a chartered event on the excursion train.

Act 319 of 2023 reduced the permit fees for sampling permits.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 293,950	14.68
2014	\$ 315,125	7.20
2015	\$ 355,650	12.86
2016	\$ 408,988	15.00
2017	\$ 403,638	(1.31)
2018	\$ 479,038	18.68
2019	\$ 404,550	(15.55)
2020	\$ 294,025	(27.32)
2021	\$ 394,135	34.05
2022	\$ 546,775	38.73
2023	\$ 435,698	(20.32)
2024	\$ 474,285	8.86

**Distribution of Tax:**

General Revenues except that one hundred percent (100%) of fees collected for grocery store wine permits paid into Arkansas Wine Grants Fund

**Administered by:**

Director of the Alcoholic Beverage Control Division

**Cite:**

Arkansas Code (1987) 3-4-608; 3-4-612; 3-4-701; 3-4-902; 3-4-1001; 3-5-104; 3-5-205; 3-5-1605; 3-5-1703; 3-5-1802; 3-9-301; 3-9-601



### 3.16. WINE TAX - FIVE CENTS (5¢) PER CASE

The tax on sparkling and still wines, including light 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 Secretary of the Department of Finance and Administration and deposited in the State Treasury.

**Rate and Base:**

Five cents (5¢) per case

**Exemptions:**

None

**History:**

Act 282 of 1949 imposed this tax, which fixed the prices of spirituous, vinous, and malt liquors. The tax was ten cents (10¢) per case on sparkling and still wines and was not allowed to be passed on to the public. The tax was to be used exclusively by the Revenue Commissioner in the enforcement of the price-fixing provisions this Act and all other Arkansas liquor control and enforcement Acts.

Act 385 of 1953 reduced the tax to five cents (5¢) per case.

Act 106 of 1971 repealed the provisions of Act 282 concerning price regulations.

Act 424 of 1987 imposed the five cents (5¢) per case tax on light wines and wine coolers.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 55,749	(6.56)
2014	\$ 59,968	7.57
2015	\$ 60,477	0.85
2016	\$ 63,991	5.81
2017	\$ 63,936	(0.09)
2018	\$ 74,416	16.39
2019	\$ 76,108	2.27
2020	\$ 74,415	(2.22)
2021	\$ 84,044	12.94
2022	\$ 84,328	0.34
2023	\$ 81,305	(3.59)
2024	\$ 77,651	(4.49)

**Distribution of Tax:**

General Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 3-7-111(b)(1)(C)

# 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 Secretary of the Department of Finance and Administration.

### Rate and Base:

1. Soft drink syrup or simple syrup.....\$1.260 per gallon
2. Bottled soft drinks.....\$0.206 per gallon
3. Powders or other base products .....\$0.206 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 and any simple syrup used in preparing tea.
4. Any frozen concentrate or freeze dried concentrate to which only water is added to produce a soft drink containing more than 10% natural fruit juice or natural vegetable juice.
5. Any soft drink containing more than 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 Secretary under the provisions of this Act as a distributor, wholesaler, or manufacturer provided that the license number of the distributor, wholesaler, or 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 (2nd) Extraordinary Session of 1992 established the Arkansas Soft Drink Tax Act and levied the tax at rates of two dollars (\$2) per gallon of soft drink syrup or simple syrup and twenty-one cents (21¢) per gallon for bottled drinks and powders.

Act 1073 of 1993 provided 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 (2nd) Extraordinary Session of 1994 deleted the biennial reference to deposits of soft drink taxes in Act 1073 of 1993, and provided that the funds would always be used exclusively in the Medicaid Program Trust Fund.

Act 301 of 1995 provided for the payment of soft drink tax by electronic funds transfer if the taxpayer's annual liability equals or exceeds \$20,000.

Act 141 of 2017 reduced to the current rate the tax on soft drink syrup and simple syrup and exempted simple syrup used in preparing tea from the soft drink tax. The Act also amended the amount deposited into the Arkansas Medicaid Program Trust Fund to offset the reduction in revenues from the soft drink tax.

Act 596 of 2017 changed the effective date of Section 62 of Act 141 of 2017 concerning an exemption from the Arkansas Soft Drink Tax Act for simple syrup used in preparing tea.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 44,534,800	(4.89)
2014	\$ 43,892,669	(1.44)
2015	\$ 41,906,007	(4.53)
2016	\$ 45,935,583	9.62
2017	\$ 46,999,331	2.32
2018	\$ 44,447,518	(5.43)
2019	\$ 40,972,321	(7.82)
2020	\$ 39,439,169	(3.74)
2021	\$ 41,329,939	4.79
2022	\$ 41,067,637	(0.63)
2023	\$ 44,043,823	7.25
2024	\$ 42,552,711	(3.38)

### Distribution of Tax:

Arkansas Medicaid Program Trust Fund

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 26-57-904; 26-57-905; 26-57-908

# 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 to the state. Tobacco products are defined as “all products containing tobacco for consumption, including without limitation cigarettes, cigars, little cigars, cigarillos, chewing tobacco, smokeless tobacco, snuff, smoking tobacco, including 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 68% of the manufacturer’s selling price and is computed on the actual manufacturer invoice price before discounts and deals, and 75¢ per package of 32 sheets of cigarette paper. The total amount of excise or privilege taxes cannot exceed 50¢ per cigar.

### 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:

Act 274 of 1969 enacted the tobacco products tax, also known as the “Cigar and Tobacco Tax,” at a rate of 15% of the wholesale selling price of tobacco products on the first sale to retailers within this State.

Act 546 of 1977, known as the "Arkansas Tobacco Products Tax Act of 1977" increased the tax to 16% of the manufacturers selling price, except on cigarettes and snuff.

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 (2nd) Extraordinary Session of 1992 levied an additional excise tax on tobacco products of 9% of the manufacturers selling price. The additional 9% excise tax is imposed from February 1, 1992, to June 30, 1993. Beginning on July 1, 1993, the additional levy is 7% of the manufacturers selling price.

Act 495 of 1993 allowed tobacco product wholesalers to deduct from the tax due bad debts that are reported for federal income tax purposes.

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

Act 434 of 1997 provided that in addition to the tax imposed by Arkansas Code § 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 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 of the First (1st) Extraordinary Session of 2003 increased the tobacco excise tax by an additional 7% for a total tax of 32%, as in effect on and after June 1, 2003.

Act 817 of 2007 authorized direct payment of excise tax to Department of Finance and Administration for consumers who purchase untaxed tobacco products or unstamped cigarettes.

Act 180 of 2009 increased the cigarette tax by an additional \$28.00 per 1,000 cigarettes. Levied 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 836 of 2011 created the Tobacco Products Reporting Act to amend disclosure and enforcement of the Tobacco Products Act of 1977.

Act 510 of 2013 limited the total amount of excise or privilege taxes on cigars to 50¢ per cigar.

Act 631 of 2013 clarified that current law imposes excise tax on all tobacco products offered for sale in the State, based on invoice price.

Act 580 of 2019 phased in an increase in the age a person must be to purchase tobacco products, cigarette papers, alternative nicotine products, vapor products, or e-liquid products to 21; created an additional 50¢ tax on cigarette papers; and prohibited local regulation of tobacco products that is more restrictive than State law.

Act 1071 of 2019 amended the Unfair Cigarette Sales Act and the Arkansas Tobacco Products Tax Act of 1977 concerning the powers and duties of the Arkansas Tobacco Control and the regulation of tobacco products, vapor products, alternative nicotine products, e-liquid products, and cigarette papers.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 50,344,846	0.06
2014	\$ 48,192,351	(4.28)
2015	\$ 48,319,624	0.26
2016	\$ 51,475,679	6.53
2017	\$ 55,122,070	7.08
2018	\$ 59,372,887	7.71
2019	\$ 60,199,599	1.39
2020	\$ 63,399,233	5.31
2021	\$ 70,369,116	10.99
2022	\$ 71,914,397	2.20
2023	\$ 71,984,033	0.10
2024	\$ 72,964,288	1.36

### Distribution of Tax:

General Revenues

Of the additional 2% tax, 29% is special revenue distributed, 25% to the University of Arkansas Medical Center Fund, 8.33% to the Breast Cancer Control Fund, 8.33% to the Breast Cancer Research Fund, 8.33% to the Miscellaneous Agencies Fund Account for the Arkansas Prostate Cancer Foundation, and 50% to the Aging and Adult Services Fund Account.

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-57-208; 26-57-209; 26-57-801; 26-57-803; 26-57-805; 26-57-807; 26-57-808; 26-57-1102; 26-57-1104

**5.2. CIGARETTE AND TOBACCO PRODUCTS PERMITS**

Before dealing with or otherwise doing business in tobacco products, vapor products, alternative nicotine products, or e-liquid products in this state, a person must register with the Director of Arkansas Tobacco Control and obtain a permit or license for that purpose, and the Secretary of the Department of Finance and Administration remits the money to the state.

**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 10 days for a fee of \$5.

1. Wholesale Permit (Tobacco Products, Vapor Products, Alternative Nicotine Products, or E-liquid Products) ..... \$1,000
2. Vendor Permit ..... \$ 100
3. Vending Machine Permit (per machine)..... \$ 10
4. Retail Permit (Tobacco Products, Vapor Products, Alternative Nicotine Products, or E-liquid Products) ..... \$ 100
5. Retail Vapor Product and E-liquid Product Only Permit ..... \$ 50
6. Wholesaler's Salesperson Permit ..... \$ 25
7. Manufacturer's Salesperson Permit ..... \$ 25
8. Manufacturer Cigarette Only Permit ..... \$ 500
9. Manufacturer Tobacco Products and Alternative Nicotine Products Only Permit.... \$ 500
10. Manufacturer Vapor Product and E-liquid Product Only Permit..... \$ 500
11. Vapor Product and E-liquid Product Exclusive Permit (Manufacturer, Wholesaler, and Retailer) ..... \$1,000

Tobacco manufacturers or importers who deal solely in cigars may submit a copy of their current federal tobacco import license or federal tobacco manufacturers license to Arkansas Tobacco Control when applying for a manufacturer tobacco, vapor product, and alternative nicotine product permit to receive the permit at no cost.

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 \$5 when sufficient proof has been given the Director of Arkansas Tobacco Control. 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
2. Retail permit for annual sales of less than \$500 ..... \$ 5

3. Retail permit for annual sales of \$500.00 to \$1,000 ..... \$ 10
4. All other permits ..... \$ 20

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 of 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 fee of five dollars (\$5) for every salesman of tobacco products and twenty-five dollars (\$25) for distributors.

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.

Act 546 of 1977, also known as “The Arkansas Tobacco Products Tax Act of 1977,” revised and codified the laws relating to tobacco products and established the following fees for permits:

1. Permits for no longer than 7 days ..... \$ 5
2. Wholesaler’s permit.....\$50
3. Salesman’s license .....\$10
4. Retailer’s permit .....\$10
5. Dealer’s license .....\$10
6. Vending machine permit.....\$10
7. Duplicate permit or license ..... \$ 5

Act 911 of 1979 extended the temporary permit period to ten (10) days and imposed the following fees for permits:

1. Wholesale Cigarette Permit .....\$ 50
2. Wholesale Tobacco Permit ..... \$ 25
3. General Tobacco Products Vending Permit.....\$100
4. Restricted Tobacco Products Vending Permit (1-2 machines)..... \$ 50
5. Tobacco Products Vending Machine License, per machine ..... \$ 10
6. Retail Cigarette Permit.....\$ 10
7. Retail Tobacco Permit .....\$ 1
8. Salesman’s License.....\$ 10
9. Dealer’s License ..... \$ 25

Act 1337 of 1997 increased the various cigarette and tobacco permits. This Act also created the Tobacco Control Board.

Act 1359 of 1997 raised permit fees.

Act 1591 of 1999 raised permit fees.

Act 1368 of 2001 provided failure to pay State and local taxes shall prevent the issuance or renewal of cigarette and tobacco permits.

Act 817 of 2007 authorized the direct assessment of excise tax for consumers who purchase untaxed tobacco products and unstamped cigarettes.

Act 836 of 2011 created the Tobacco Products Reporting Act to amend disclosure and enforcement of the Tobacco Products Act of 1977.

Act 1273 of 2013 changed the definition of “wholesaler” and defined “dealer’s license.” Removed law exempting manufacturers from the authority of the Arkansas Tobacco Control Board and repealed record keeping rules for out-of-state wholesalers.

Act 1235 of 2015 regulated vapor products, alternative nicotine products, and e-liquid products and created permit fees. Directed all permit and license fees, collected by the Tobacco Control Board, into the Arkansas Tobacco Control Revenue Fund.

Act 1071 of 2019 amended the Unfair Cigarette Sales Act and the Arkansas Tobacco Products Tax Act of 1977 concerning the powers and duties of the Arkansas Tobacco Control and the regulation of tobacco products, vapor products, alternative nicotine products, e-liquid products, and cigarette papers. The act also raised permit fees to current amounts.

Act 386 of 2021 added a 30-day grace period during which a buyer purchasing an existing permitted retail location may, with the permission of the seller and the Division of Tobacco Control, operate under the selling owner’s permit for no more than 30 days from the date of the sale.

**Revenues Generated:**

**General Revenue**

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 205,755	10.10
2014	\$ 222,028	7.91
2015	\$ 226,355	1.95
2016	\$ 19,020	(91.60)
2017	-0-	(100.00)
2018	-0-	
2019	-0-	
2020	\$ 130	
2021	-0-	
2022	-0-	
2023	-0-	
2024	-0-	

**Special Revenue**

Fiscal Year	Amount	%Change
Ending June 30		
2016	\$ 458,775	
2017	\$ 408,830	(10.89)
2018	\$ 397,025	(2.89)
2019	\$ 449,815	13.30
2020	\$ 555,370	23.47
2021	\$ 751,345	35.29
2022	\$ 748,077	(0.43)
2023	\$ 738,070	(1.34)
2024	\$ 710,515	(3.73)

**Distribution of Tax:**

Arkansas Tobacco Control Revenue Fund

**Administered by:**

Tobacco Control Board

**Cite:**

Arkansas Code (1987) 19-6-831; 26-57-209; 26-57-215; 26-57-219; 26-57-222

**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:**

Act 152 of 1929 enacted the cigarette tax at a rate of \$2 per 1,000 cigarettes (or 4¢ per package of 20 cigarettes). It has been amended over time as follows:

Year	Tax Per 1,000 Cigarettes	Tax per Package of 20 Cigarettes
1929	\$ 2	4¢
1931	\$ 2.50	5¢
1947	\$ 3	6¢
1949	\$ 2	4¢
1951	\$ 3	6¢
1965	\$ 4	8¢
1969	\$ 6.125	12.25¢
1971	\$ 8.875	17.75¢
1983	\$ 10.50	21.00¢
1991	\$ 11.00	22.00¢
1993 (FEB.)	\$ 17.25	34.50¢
1993 (JULY)	\$ 15.75	31.50¢
2003	\$ 29.50	59.00¢
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 levied an additional 50¢ per 1,000 cigarettes, at a rate of 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 (2nd) Extraordinary Session of 1992 levied an additional tax of \$6.25 per 1,000 cigarettes, at a rate of 12.5¢ per pack, as in effect on and after February 1, 1993, through June 30, 1993. As in effect on and after July 1, 1993, the additional tax is \$4.75 per 1,000 cigarettes, at a rate of 9.5¢ per pack.

Act 495 of 1993 allowed cigarette wholesalers to deduct from the tax due bad debts that are reported for federal income tax purposes.

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

Act 1177 of 1993 reduced the border zone on cigarettes from 50¢ per 1,000 to 25¢ per 1,000 for certain border zone areas.

Act 434 of 1997 created the Breast Cancer Act, and levied additional cigarette and tobacco taxes for the benefit of breast cancer research and prevention. The additional taxes are as follows: cigarettes: \$1.25 per 1,000; and other tobacco products: 2% of the manufacturer's selling price. 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. The act increased the rate of the commission paid to stamp deputies for the collection and affixing of tax stamps from 3.8% to 4.4% only during any year that the taxes levied under this act are collected. This Act also allowed a 2% discount for prompt payment of tobacco products tax regardless of the status of funding the research funds. All of the changes in this act 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.

Act 1337 of 1997 created the Tobacco Control Board. The commission to stamp deputies for the collection and affixing of tax stamps remained at three and eight-tenths percent (3.8%) subject to the provisions of Act 434 of 1997.

Act 1698 of 2001 amended the additional tax on cigarettes and tobacco products to ensure funding of the Breast Cancer Research Fund.

Act 38 of the First (1st) Extraordinary Session of 2003 increased the cigarette tax an additional \$12.50 per thousand, at a rate of 25¢ per pack, as in effect on and after June 1, 2003.

Act 2219 of 2005 redistributed a portion of the tax on cigarettes and tobacco products to the Arkansas Rx Program and Arkansas Prostate Cancer Foundation:

- 25% Rx
- 8.33% Breast Cancer Control
- 8.33% Breast Cancer Research
- 8.33% Prostate Foundation

If sufficient funds exist through fees in the Rx Program the distribution will be:

- 12.5% Breast Cancer Control
- 12.5% Breast Cancer Research

Act 817 of 2007 authorized the direct assessment of excise tax for consumers who purchase untaxed tobacco products and unstamped cigarettes.

Act 1236 of 2007 transferred revenue from the Arkansas Rx Program to the University of Arkansas for Medical Sciences center fund.

Act 180 of 2009 increased the cigarette tax by an additional \$28.00 per one 1,000 cigarettes and provided that the commission paid to stamp deputies is not less than 3% of the total aggregate cigarette tax collected.

Act 939 of 2009 established a forfeiture procedure for tobacco products for failure to pay full amount of excise taxes due.

Act 940 of 2009 allowed 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.

Acts 1119 of 2015 provided that cigarettes sold and delivered to wholesalers are not subject to the \$10.50 tax per 1,000 cigarettes.

Act 580 of 2019 increased the minimum markup by a retailer on cigarettes; phased in an increase in the age a person must be to purchase tobacco products, cigarette papers, alternative nicotine products, vapor products, or e-liquid products to 21; repealed the border zone tax rates for cigarettes; and prohibited local regulation of tobacco products that is more restrictive than State law.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 178,559,354	(5.31)
2014	\$ 169,082,718	(5.31)
2015	\$ 168,752,968	(0.20)
2016	\$ 170,789,639	1.21
2017	\$ 165,215,224	(3.26)
2018	\$ 159,896,061	(3.22)
2019	\$ 150,570,785	(5.83)
2020	\$ 155,874,030	3.52
2021	\$ 153,572,703	(1.48)
2022	\$ 142,725,439	(7.06)
2023	\$ 132,932,772	(6.86)
2024	\$ 119,452,021	(10.14)

### Distribution of Tax:

#### General Revenues

Of the additional one dollar and twenty-five cents (\$1.25) tax, twenty-nine percent (29%) is special revenue distributed, twenty-five percent (25%) to the University of Arkansas Medical Center Fund, eight and one-third percent (8 1/3%) to the Breast Cancer Control Fund, eight and one-third percent (8 1/3%) to the Breast Cancer Research Fund, eight and one-third percent (8 1/3%) to the Miscellaneous Agencies Fund Account for the Arkansas Prostate Cancer Foundation, and fifty percent (50%) to the Aging and Adult Services Fund Account.

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 26-57-208; 26-57-209; 26-57-802; 26-57-803; 26-57-804; 26-57-806; 26-57-1101; 26-57-1103

# Chapter 6 - Highway User Taxes and Fees

## 6.1. ALTERNATIVE FUELS TAX

Alternative fuels are subject to a gallonage tax with the tax rate being determined by the number of motor vehicles that use alternative fuels.

### Rate and Base:

No. of Motor Vehicles Licensed Utilizing Alternative 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
3,000 & Over	\$0.165

### Exemptions:

1. Sales to the United States Government.
2. Alternative fuels imported into the State in fuel supply tanks, including any additional containers of motor vehicles being used solely for noncommercial 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:

Act 1119 of 1993 authorized the alternative fuels tax.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
--	--	--

### Distribution of Tax:

Special Revenues: 15% to the Municipal Aid Fund, 15% to the County Aid Fund, and 70% to the State Highway and Transportation Department Fund.

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 26-62-109; 26-62-201

## 6.2. LARGE TRUCK SPEEDING FINES

Any vehicle with a registered gross weight of at least 20,000 lbs. operating at more than five miles per hour over the posted speed limit shall be fined.

### Rate and Base:

An additional \$50 per each mile per hour in excess of five miles per hour over the posted or legal speed limit.

### History:

Act 1345 of 1999 allowed courts levying and collecting the fines may retain 2% as a collection fee and remitting the balance to the Treasurer of State. Provided a fine for large trucks exceeding the posted or legal speed limit.

Act 740 of 2001 provided that the fine applies only to the operation of trucks on interstate highways or state highways that have a posted speed limit for trucks different from the posted speed limit for other motor vehicles.

Act 1809 of 2001 provided that any collection fee retained be deposited monthly in the Court Automation Fund, of the city or county, to be used for court related technology.

Act 1765 of 2003 provided that the balance of the fines collected be remitted by the 10th day of each month to the Administration of Justice Funds section of the Department of Finance and Administration for deposit as general revenue.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 151,028	(1.19)
2014	\$ 149,897	(0.75)
2015	\$ 114,349	(23.71)
2016	\$ 107,890	(5.65)
2017	\$ 169,597	57.62
2018	\$ 93,683	(44.76)
2019	\$ 76,978	(17.83)
2020	\$ 127,964	66.23
2021	\$ 98,326	(23.16)
2022	\$ 54,004	(45.08)
2023	\$ 60,823	12.63
2024	\$ 66,053	8.60

### Distribution of Tax:

2% court fee; 98% general revenue

### Administered by:

Administrative Office of the Courts

### Cite:

Arkansas Code (1987) 27-50-311



### 6.3. 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 Secretary of the Department of Finance and Administration collects the tax and remits it to the State Treasury.

**Rate and Base:**

22.5¢ per gallon

(An additional 6¢ per gallon tax applies as a wholesale sales tax, and the tax is subject to an annual increase based on the average wholesale selling price of the fuel.)

**Exemptions:**

1. Sales to the United States Government;
2. Sales for off-road use, delivered to supplier mark “not for motor vehicle use;”
3. Distributors export sales or sales for export;
4. Sales by a pipeline importer who has received fuel or to a licensed first receiver in this State;
5. Airplane fuels.

Municipal transit buses and fire departments may apply for a refund of taxes paid.

**History:**

Act 40 of the First (1st) Extraordinary Session of 1965, also known as the “Special Motor Fuels Tax Law,” enacted that distillate special motor fuels were taxed at a different rate from gasoline. 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.

Act 112 of 1985 removed the distillate special fuels exemption on gasohol.

Act 456 of 1985 increased the distillate special motor fuel tax by 2¢ per gallon.

Act 996 of 1985 provided that 100% of the revenues credited to the State Highway Special Construction Account will go to the State Aid Road Fund, up to a maximum of \$13,000,000 in each year.

Act 219 of 1991 levied an additional excise tax of 4¢ per gallon on distillate special motor fuels (diesel). The Act also repealed the weight distance tax.

Act 364 and 382 of 1991 levied an additional excise tax 2¢ per gallon on distillate special motor fuels (diesel).

Act 618 of 1993 exempted airplane fuel from the distillate special motor fuels tax.

Act 954 of 1995 provided that as in effect on and after July 1, 1997, all reports and tax remittance shall be done by electronic funds transfer.

Act 1006 of 1995 would increase the distillate special motor fuels (diesel tax) by 5¢ 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 increased the tax on distillate special fuels (diesel) by 2¢ per gallon as in effect on and after April 1, 1999, and by another 2¢ as in effect on and after April 1, 2000. If the voters approve the bond issue provided on the Arkansas Highway Financing Act of 1999, this increase in distillate special fuels tax will be used to pay the bonds, if not approved the increase will be distributed to the Highway Department and local governments as other motor fuel taxes. The Act also increased 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 allowed counties to use these funds for local projects eligible for funding under State and federal highway agencies.

Act 1058 of 2011 deposited the first \$4,000,000 of the 8.5¢ tax on distillate special fuels, to general revenues.

Act 1010 of 2013 codified Amendment 91 distribution of 1¢ per gallon to the State Aid Street Fund.

Act 1 of the Third (3rd) Extraordinary Session of 2016 repealed the deposit of the first \$4,000,000 of the eight and 8.5¢ tax on distillate special fuels, to general revenues. As in effect on and after July 1, 2016.

Act 416 of 2019 levied a wholesale sales tax on motor fuel and distillate special fuel. To determine the rate for distillate special fuel, the Secretary of the Department of Finance and Administration multiplies the twelve-month average wholesale selling price of distillate special fuel for the period of January 1 through December 31 of the immediately preceding year by two and nine-tenths percent (2.9%) and converts that to a cent-per-gallon amount rounded to the nearest one-tenth of one cent (0.1¢). The rate is then effective for the twelve-month period beginning on October 1 of the year in which the calculation is made.

Act 483 of 2021 repealed section 26-55-1302, which entitled fire departments to a refund of the motor fuel tax or distillate special tax paid.

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¢
2019	28.5¢*
2020	28.5¢
2021	28.5¢
2022	28.4¢
2023	28.5¢
2024	28.5¢

\*Rates from 2019 forward include the wholesale sales tax.

**Revenues Generated:**

Revenues derived from the distillate special motor fuels tax and the wholesale sales tax are included in the Revenues Generated section of Motor Fuel Tax.

**Distribution of Tax:**

Special Revenues – 15% to the Municipal Aid Fund; 15% to the County Aid Fund; 70% to the State Highway and Transportation Department Fund.

1973 additional motor fuel tax at a rate of 1¢ per gallon. - Net revenues are credited to State Highway Special Construction Account.

Amendment 91 – distributes 1¢ per gallon to the State Aid Street Fund.

2011 Semi-Trailer Exemption – of the first \$4,000,000 of the 8.5¢ 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:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-56-201; 26-56-221; 26-56-222; 26-56-502; 26-56-504; 26-56-601; 26-64-102; 27-70-103

**6.4. 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

User Permit Fees:

Non-Farm Vehicles

- 1. Passenger cars and motor homes .....\$164
- 2. Pickup trucks, ½ and ¾ quarter tons.....\$195
- 3. Pickup trucks, one ton .....\$251
- 4. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds..... \$520
- 5. Passenger buses (except school buses), manufactured and licensed as such..... \$520
- 6. School buses manufactured and licensed as such.....\$260
- 7. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$609

Farm Vehicles

- 1. Pickup trucks, ½ and ¾ ton.....\$130
- 2. Pickup trucks, one ton .....\$156
- 3. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds.....\$178
- 4. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$260

**Exemptions:**

Sales of liquefied gas special fuels to official United States Government agencies for use in official United States Government vehicles; persons operating a motor vehicle upon which a liquefied gas special fuel users permit has been issued.

**History:**

Act 40 of the First (1st) Extraordinary Session of 1965 imposed an excise tax of seven and 7.5¢ per 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
- 2. Pickup trucks, ½ and ¾ quarter tons.....\$ 77
- 3. Trucks, maximum gross loaded weight in excess of ¾ ton but not exceeding 22,500 pounds.....\$200
- 4. Passenger buses (except school buses), manufactured and licensed as such.....\$200
- 5. School buses manufactured and licensed as such .....\$100
- 6. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$234

Farm Vehicles

- 1. Pickup trucks, 1/2 and 3/4 ton.....\$ 50
- 2. Trucks, maximum gross loaded weight in excess of 3/4 ton but not exceeding 22,500 pounds..... \$ 70
- 3. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$100

Act 445 of 1973 imposed the following additional fees upon liquefied gas special fuel users:

Non-Farm Vehicles

- 1. Passenger cars.....\$ 11
- 2. Pickup trucks, 1/2 and 3/4 quarter tons.....\$ 13
- 3. Trucks, maximum gross loaded weight in excess of 3/4 ton but not exceeding 22,500 pounds.....\$ 36
- 4. Passenger buses (except school buses), manufactured and licensed as such.....\$ 36
- 5. School buses manufactured and licensed as such..... \$ 18
- 6. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$ 42

Farm Vehicles

- 1. Pickup trucks, 1/2 and 3/4 ton.....\$ 9
- 2. Trucks, maximum gross loaded weight in excess of 3/4 ton but not exceeding 22,500 pounds.....\$ 12
- 3. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$ 18

Act 789 of 1981 amended the fee schedule imposed by Act 40 of the First (1st) Extraordinary Session of 1965 and repealed Act 445 of 1973.

Non-Farm Vehicles

- 1. Passenger cars and motor homes .....\$ 75
- 2. Pickup trucks, 1/2 and 3/4 quarter tons.....\$ 90
- 3. Pickup trucks, one ton.....\$115
- 4. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds.....\$236
- 5. Passenger buses (except school buses), manufactured and licensed as such.....\$236
- 6. School buses manufactured and licensed as such.....\$118
- 7. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$276

Farm Vehicles

- 1. Pickup trucks, 1/2 and 3/4 ton.....\$ 59
- 2. Pickup trucks, one ton.....\$ 70
- 3. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds.....\$ 82
- 4. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$118

Act 456 of 1985 increased the liquefied gas special fuels tax by 4¢ per 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
- 2. Pickup trucks, 1/2 and 3/4 quarter tons.....\$ 52
- 3. Pickup trucks, one ton .....\$ 68
- 4. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds.....\$144
- 5. Passenger buses (except school buses), manufactured and licensed as such.....\$144
- 6. School buses manufactured and licensed as such .....\$ 72
- 7. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$168

Farm Vehicles

- 1. Pickup trucks, 1/2 and 3/4 ton.....\$ 36
- 2. Pickup trucks, one ton .....\$ 44
- 3. Trucks, maximum gross loaded weight in excess of one ton but not exceeding 22,500 pounds.....\$ 48
- 4. Trucks, maximum gross loaded weight in excess of 22,500 pounds.....\$ 72

Act 364 and 382 of 1991 levied an additional excise tax 5¢ per gallon on liquefied gas special fuels and increased the annual fees for vehicles using liquefied gas special fuels. The Acts also repealed Act 456 of 1985.

**Revenues Generated:**

(See Motor Fuel Tax)

**Distribution of Tax:**

- 15% County Aid Fund
- 15% Municipal Aid Fund
- 70% State Highway and Transportation Department Fund

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-55-1202; 26-56-301; 26-56-304; 26-56-502

## 6.5. 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 Secretary of the Department of Finance and Administration, who deposits the money in the State Treasury.

### Rate and Base:

21.5¢ per gallon

(An additional 3¢ per gallon tax applies as a wholesale sales tax, and the tax is subject to an annual increase based on the average wholesale selling price of the fuel.)

### Exemptions:

1. Sales to the United States Government;
2. Distributors export sales or sales for export;
3. Sales by a pipeline importer who has received fuel or to a licensed first receiver in this State;
4. Fuel for use in propelling an airplane;
5. Thirty gallons imported in fuel supply tanks.

Municipal transit buses and fire departments may apply for a refund of taxes paid.

### History:

Act 606 of 1921 enacted the motor fuel tax 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¢
1941	6.5¢
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¢
2019	24.5¢*
2020	24.5¢
2021	24.5¢
2022	24.6¢
2023	24.7¢
2024	24.7¢

\*Rates from 2019 forward include the wholesale sales tax.

Act 112 of 1985 removed the motor fuel tax exemption on gasohol, as in effect on and after May 30, 1985.

Act 456 of 1985 increased the motor fuel tax by 4¢ per gallon.

Act 996 of 1985 provided that 100% of the revenues credited to the State Highway Special Construction Account will go to the State Aid Road Fund, up to a maximum of \$13,000,000 in each year.

Act 364 and 382 of 1991 levied an additional excise tax of 5¢ per gallon on motor fuel.

Act 688 of 1991 provided 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 954 of 1995 provided that all fuel reports submitted and tax remittance beginning July 1, 1997, and thereafter, or beginning before that date, if possible, shall be done by electronic means.

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 permitted 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 increased the tax on motor fuel by 1¢ as in effect on and after July 1, 1999, 1¢ as in effect on and after July 1, 2000, and by another 1¢ as in effect on and after July 1, 2001, for a total 3¢ increase per gallon.

Act 419 of 2001 provided a refund for the purchase of distillate special fuels and motor fuels by fire departments.

Act 777 of 2001 eliminated the requirement that sellers of dyed diesel fuel identified each purchaser in monthly motor fuel tax report.

Act 1035 of 2001 provided that leaded gasoline or methanol used for fueling automobiles used for racing is not defined as motor fuel.

Act 1498 of 2001 broadened 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 allowed counties to use these funds for local projects eligible for highway funding under State and federal highway programs.

Act 2223 of 2005 permitted 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 of biodiesel fuel used to produce biodiesel mixture.

Act 1010 of 2013 codified Amendment 91 distribution of 1¢ per gallon to the State Aid Street Fund.

Act 416 of 2019 levied a wholesale sales tax on motor fuel and distillate special fuel. To determine the rate for motor fuel, the Secretary of the Department of Finance and Administration multiplies the twelve-month average wholesale selling price of motor fuel for the period of January 1 through December 31 of the immediately preceding year by one and six-thenths percent (1.6%) and converts that to a cent-per-gallon amount rounded to the nearest one-tenth of one cent (0.1¢). The rate is then effective for the twelve-month period beginning on October 1 of the year in which the calculation is made.

Act 483 of 2021 repealed the law concerning motor fuel used by a fire department.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount (1)	1973 Add'l Motor Fuel Tax (2)
2013	\$ 413,147,711	\$ 19,690,828
2014	\$ 412,626,737	\$ 19,538,754
2015	\$ 420,010,572	\$ 19,881,570
2016	\$ 438,460,692	\$ 20,772,442
2017	\$ 423,838,791	\$ 21,106,359
2018	\$ 432,271,459	\$ 21,360,172
2019	\$ 436,375,542	\$ 21,329,183
2020	\$ 432,322,056	\$ 20,980,954
2021	\$ 527,334,952	\$ 21,396,980
2022	\$ 458,231,923	\$ 21,583,179
2023	\$ 452,873,330	\$ 22,300,316
2024	\$ 462,508,650	\$ 22,545,105

**Distribution of Tax:**

1. Special Revenues – 15% to the Municipal Aid Fund; 15% to the County Aid Fund; 70% to the State Highway and Transportation Department Fund.
2. 1973 additional motor fuel tax, at a rate of 1¢ per gallon - Net revenues are credited to State Highway Special Construction Account. One hundred percent 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: \$13,000,000 as in effect on and after July 1, 1999, until June 30, 2000; \$15,000,000 as in effect on and after July 1, 2000, until June 30, 2001; \$17,000,000 as in effect on and after July 1, 2001, until June 30, 2002; \$19,000,000 as in effect on and after July 1, 2002, until June 30, 2003; no transfer limit as in effect on and after July 1, 2003 (Act 1028 of 1999).
3. Amendment 91 – distributes 1¢ per gallon to the State Aid Street Fund.

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-55-205; 26-55-207; 26-55-404; 26-55-703; 26-55-1002; 26-55-1006; 26-55-1201; 26-56-601; 26-64-101; 27-70-103

**6.6. MOTOR VEHICLE COMMISSION FEES**

The Arkansas Motor Vehicle Commission regulates and licenses motor vehicles manufacturers, factory branches and divisions, distributors, distributor branches and divisions, distributor representatives, wholesalers and wholesaler branches and divisions, and 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 branch location, \$25.
5. For each replacement certificate of license, \$10.

**Exemptions:**

Temporary permit for special events for an in-state and out-of-state motor vehicle dealer if no franchised motor vehicle dealer of a licensed manufacturer is represented in the host county or contiguous counties.

The fees shall not exceed:

- Out-of-state new motor vehicle dealer, \$100;
- New manufacturer or distributor, \$250;
- Out-of-state salesperson, \$15; and
- Factory or distributor representative, \$50.

**History:**

Act 388 of 1975 established the Arkansas Motor Vehicle Commission fees.

Act 850 of 1989 transferred the regulatory authority over used car dealers from the Arkansas Motor Vehicle Commission to the Revenue Division of the Department of Finance and Administration. Used car dealers must post a \$25,000 bond with the Revenue Department.

Act 568 of 1995 increased various license fees collected by the Arkansas Motor Vehicle Commission.

Act 1154 of 1997 permitted reciprocity with Arkansas Motor Vehicle Commissions or their equivalent in other states.

Act 1053 of 2001 amended various sections of the Motor Vehicle Commission Act by changing definitions and including all-terrain vehicles and motor cycles to be regulated.

Act 235 of 2007 authorized the issuance of a temporary permit for an out-of-state motor vehicle dealer for special motorcycle events if no franchised motor vehicle dealer of a licensed manufacturer is represented in the host county or contiguous counties.

Act 561 of 2013 amended sections of the Arkansas Motor Vehicle Act, included “low speed vehicle.”

## 6.7. MOTOR VEHICLE IN TRANSIT FEES

Act 530 of 2007 authorized that funds from the Motor Vehicle Commission Fund be used for the payment of expenses incurred from the motor vehicle education and training of the Arkansas Motor Vehicle Commission.

Act 1055 of 2015 amended the Arkansas Motor Vehicle Commission Act concerning the definitions of an “all-terrain vehicle” and “vehicle salesperson.”

Act 924 of 2019 amended sections of the Arkansas Motor Vehicle Commission Act to include definitions for “stop-sale order” or “do not-drive order” and “routine maintenance.” Required a manufacturer to compensate its new motor vehicle dealers for all labor and parts required to do recall repairs.

Act 504 of 2021 amended the Arkansas Motor Vehicle Commission Act to remove licensing requirements for a motor vehicle salesperson.

Act 696 of 2023 authorized the issuance of a temporary permit for in-state and out-of-state new motor vehicle dealers and new motor vehicle manufacturers or distributors to participate in special events if no franchised motor vehicle dealer of a licensed manufacturer is represented in the host county or contiguous counties.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 515,965	2.32
2014	\$ 521,147	1.00
2015	\$ 505,141	(3.07)
2016	\$ 554,024	9.68
2017	\$ 579,992	4.69
2018	\$ 588,505	1.47
2019	\$ 601,710	2.24
2020	\$ 594,755	(1.16)
2021	\$ 544,620	(8.43)
2022	\$ 390,300	(28.34)
2023	\$ 481,240	23.30
2024	\$ 491,563	2.14

### Distribution of Tax:

Special revenues for credit to the Arkansas Motor Vehicle Commission Fund

### Administered by:

Arkansas Motor Vehicle Commission

### Cite:

Arkansas Code (1987) 23-112-303; 23-112-205; 23-112-805

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 Secretary of the Department of Finance and Administration, who deposits the funds in the State Treasury.

### Rate and Base:

Three dollars 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 and added the provision for the \$30 annual fee.

Act 1252 of 2015 authorized the issuance of a metal transporter plate to an automobile dealer for an annual fee of \$30.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 75	(26.47)
2014	\$ 36	(52.00)
2015	\$ 15	(58.33)
2016	\$ 21	40.00
2017	\$ 15	(28.57)
2018	\$ 9	(40.00)
2019	\$ 3	(66.67)
2020	-0-	(100.00)
2021	-0-	
2022	\$ 6	
2023	\$ 3	(50.00)
2024	\$ 3	

### Distribution of Tax:

Special revenues for credit to the Division of Arkansas State Police Fund

### Administered by:

Revenue Division of the Department of Finance Administration

### Cite:

Arkansas Code (1987) 27-14-1805; 27-14-1806; 27-14-1807

## 6.8. 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 and vans rated as having a nominal tonnage of one ton used exclusively for personal transportation and those with a nominal tonnage of three-fourths ton or less. All one-ton trucks and vans used for commercial or business purposes shall be registered in the appropriate class by gross laden weight – \$21;
  - b. Class Two - Gross loaded weight 6,001–20,000 lb, \$6.50 per 1,000 lbs. of gross loaded weight;
  - c. Class Three - Gross loaded weight of 20,001–40,000 lbs., \$8.45 per 1,000 lbs. of gross loaded weight;
  - d. Class Four - Gross loaded weight of 40,001–56,000 lbs., \$11.05 per 1,000 lbs. of gross loaded weight;
  - e. Class Five - Gross loaded weight of between 56,001–60,000 lbs., \$12.35 per 1,000 lbs. of gross loaded weight;
  - f. Class Six - Gross loaded weight of 60,001–68,000 lbs., \$13.65 per 1,000 lbs. of gross loaded weight;
  - g. Class Seven - Gross loaded weight of 68,001–73,280 lbs., \$14.30 per 1,000 lbs. of gross loaded weight. All vehicles with a gross loaded weight of 73,281–80,000 lbs., \$1,350.
  - h. Class Eight - Natural resources and farm vehicles shall be charged an annual license fee as follows:
    - 1) Two axles – \$3.90 per 1,000 lbs. of gross loaded weight with a minimum fee of \$32.50 and a maximum fee of \$65;
    - 2) Three axles – a fee of \$97.50;
    - 3) Four axles – a fee of \$130;
    - 4) Five axles - a fee of \$162.50;
    - 5) Five axles - used exclusively by the owner of livestock and poultry in hauling animal feed - a fee of \$650;
    - 6) Vehicles operated separately, or in combination, with an outside width in excess of 102 inches but not exceeding 108 inches, used to transport compacted seed cotton – annual license fee \$650.
    - 7) Farm license for seasonal or occasional use – six months not less than \$65.00 but not more than

half the annual fee and 7 months for not less than \$75 but not more than 7/12ths of the annual fee.

### 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, \$36.00;
- 2) All semi-trailers used in combination with Class Two through Class Eight trucks, \$20; or \$65 for permanent registration;
- 3) Full trailers used to transport farm products and other natural resources, \$8;
- 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 Two through Class Seven of Subdivision of this Section.

### Motorcycles

1. Motorcycles ..... \$6.50
2. Motor-driven cycles..... \$3.25
3. Motorcycle sidecars..... \$1.95

### Hearses and Ambulances

- \$45.50 per year

### Dealers

- Master license plate for each separate place of business one hundred dollars (\$100)
- Dealers extra license plate twenty-five dollars (\$25)
- Manufactured home title fifty dollars (\$50)
- All-terrain vehicle title one hundred dollars (\$100)

### Special Personalized Plates for Passenger Cars/Motorcycles

- Annual fee \$25 in addition to regular fees

### Special Numbered License Plates

- Annual fee of \$5 in addition to regular fees

### Historic Vehicle, 45 Years Old or More

- \$7 per vehicle

### Antique Motorcycle, 25 Years Old or More

- \$5 per vehicle

### Motor Buses, Operated on Designated Streets Under Franchise

- \$20 per bus

### Farm to Market Buses or Community Buses

- \$130 per bus

### Three-, Four-, and Six-Wheeled All-Terrain Cycles

- \$5 per all-terrain cycle

### Autocycle

- \$5 per autocycle

### License Plate Decal

- \$2.50 per plate

**Commercial Motor Carriers**

- In addition to registration fees:  
 Register commercial vehicle online – \$2  
 Decal with Carrier's logo – \$2  
 Annual commercial motor vehicle fee – \$5 per vehicle

**Electric and Hybrid Vehicles**

- In addition to registration fees:  
 Electric vehicle – \$200  
 Hybrid vehicle – \$50  
 Plug in hybrid electric vehicle – \$100

**Exemptions:**

Motor vehicles owned by nonresidents and duly registered in another state, territory, or Canada are exempt from registration.

License plates issued to the Highway Department and United States Government.

Electric and hybrid vehicle registered for a special license plate or a special licenses plate with permanent decal is not required to pay the additional registration fee for electric and hybrid vehicles.

Truck, pickup truck, motor vehicle, or other vehicle of any nature owned, used, and operated by the Arkansas Forestry Commission are exempt from operation fees and charges.

**History:**

Act 302 of 1913 created a State Highway Commission 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 ten Highway Commission members, one from each of the ten maintenance districts.

Act 239 of 1949 provided for 12 Highway Commission members, one from each of the ten maintenance districts and two from the State at large.

Arkansas 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, as in effect on and after 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 was 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.

**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 .....\$75.00 p.a. 6 or 7 .....\$85.00 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 .....\$25.00 p.a. 6 or 7 .....\$35.00 p.a. 8 or more same as above
1965-1966	Flat fees. “Pleasure vehicles” 3,000 lbs. or less .....\$12.00 3,001-4,500 lbs. ....\$19.00 Over 4,500 lbs.....\$26.00 “For Hire” 5 or less.....\$75.00 6 or 7 .....\$85.00 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 .....\$18.00 2,501-3,000 lbs. ....\$24.00 3,001-3,500 lbs. ....\$30.00 Over 3,501 lbs. ....\$36.00 “For Hire” Vehicles “as set for ‘Pleasure Vehicles””
1981	Flat fees for “Pleasure Vehicles” 3,000 lbs. or less .....\$17.00 3,001-4,500 lbs. ....\$25.00 4,501 lbs. or more .....\$30.00 “For Hire” vehicles same.

Act 872 of 1983 provided for the registration of all three- and four-wheeled all-terrain cycles. The registration fee \$5, no renewal required.

Act 145 of 1987 clarified the fee amount for the registration of motorcycles per annum (\$6.50), motor driven cycles per annum (\$3.25), and motorcycle sidecars per annum (\$1.95).

Act 883 of 1987 provided for the issuance of Pearl Harbor Survivor plates at the regular fee plus \$15.

Act 945 of 1987 provided that all fees, taxes, penalties, and other amounts collected for the registration and licensing of motor vehicles are "special revenues" and 3% of the gross amount are to be deducted by the state treasurer and the net amount distributed as provided by the Arkansas Highway Revenue Distribution Law.

Act 31 of 1989 provided for the issuance of personalized license plates for motorcycles. The fee is the same as for automobiles.

Act 103 of 1989 provided for the permanent registration of commercial semi-trailers at a fee of \$65.

Act 250 of 1989 provided 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 provided 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 provided 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 authorized 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 separate class of registration for gooseneck trailers. Created new registration for all trailers drawn by automobiles and Class One trucks. It set the fee at \$7.

Act 219 of 1991 repealed the weight distance tax and increased the registration fee to \$1,350 on vehicles with a declared gross weight 73,281 lbs. – 80,000 lbs. The registration fee increased to \$20 on trailers used with Class Two through Class Eight trucks. Also, trailers used with Class Two through Eight trucks may be issued a permanent registration for \$65.

Act 372 of 1991 eliminated the additional \$1.50 fee for special retired military personnel license plates.

Act 377 of 1991 reduced the cost for additional license plates for veterans receiving the Purple Heart medal to \$2.

Act 837 of 1991 created a special license plate for retired Merchant Marines who served from October 1, 1940, to December 31, 1945.

Act 68 and 69 of the First (1st) Extraordinary Session of 1992 created a special category of motor vehicle registration for licensing of compacted cotton seed transporters. The license fee is \$650.

Act 569 of 1993 provided for a special license plate for certified firefighters. The plates are \$10 plus the normal license fee.

Act 609 of 1993 provided 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, which is deposited into the State Central Service Fund.

Act 905 of 1993 provided that all boat and travel trailers drawn by any truck with a load capacity of one ton or less shall be \$7.

Act 1248 of 1993 provided 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 levied an additional fee of \$2 for the registration of a motor vehicle. The \$2 fee is waived if the motor vehicle registration is renewed by mail.

Act 1308 of 1993 required the registration of three or four wheeled all-terrain cycles (\$5).

Act 310 of 1995 provided 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 authorized 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 repealed the additional \$2 fee for renewal of registration in person.

Act 389 of 1995 provided that all trucks rated by the manufacturer as having a nominal tonnage of 1 ton or less shall be assessed a license fee of \$21 without regard to weight and established the collection of a triennial fee to evidence the registration of a trailer.

Act 647 of 1995 allowed 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 provided that all motor vehicles owned and operated by public vocational-technical schools, technical colleges, and community colleges in the State and used exclusively for training purposes are exempt from registration fees.

Act 1314 of 1995 provided that the renewal fee for special plates for firefighters will be the same as the normal fee for registration.

Act 269 of 1997 provided that a surviving spouse of a Purple Heart medal recipient is entitled to receive a free Purple Heart license plate.

Act 297 of 1997 allowed a seven-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 authorized 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 permitted retired firefighters to be issued a special firefighter's license plate.

Act 974 of 1997 repealed the general requirement for motor vehicle inspections. However, commercial vehicles that transport people must still be inspected. This Act levied 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 is deposited to the State Central Services Fund Account.

Act 1047 of 1997 authorized the issuance of a certification to a manufactured home dealer upon payment of \$50.

Act 1327 of 1997 allowed the surviving spouse of a disabled veteran to be issued a special disabled veteran license plate for \$1 annually.

Act 23 of 1999 provided for the issuance of Ducks Unlimited license plates with authorization or certification from Ducks Unlimited, Incorporated 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 permitted Class Two through Class Eight 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 permitted 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 repealed the \$35 initial fee for Civil Air Patrol license plates.

Act 1327 of 1999 authorized 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 allowed 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 permitted 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, which is credited to the State Central Services Fund for the benefit of the Revenue Division and not as direct revenue.

Act 330 of 2001 provided a triennial fee of \$21 for trailers drawn by automobiles and Class one truck, and all boat trailers and travel trailers drawn by any truck, which has a load capacity of one ton or less. \$36 for the issuance of a permanent

registration if purchased or otherwise acquired on or after January 1, 2002.

Act 90 of 2003 provided for the issuance of the Ducks Unlimited special license plates.

Act 343 of 2003 allowed dealer license plates on dealer owned cars to be used for personal or business trips.

Act 344 of 2003 provided for the issuance of a Choose Life special license plate in support of adoption programs.

Act 361 of 2003 allowed vehicle dealers to self-certify with the Office of Motor Vehicles to receive a dealer's license plate.

Act 371 of 2003 requested an effort to curb the growth in the number of special license plates.

Act 463 of 2003 allowed one ton trucks and vans used for personal transportation to be registered with passenger car tags and allowed arresting officer's jurisdiction to keep fines.

Act 842 of 2003 amended the Arkansas Uniform Commercial Driver License Act to comply with federal requirements for commercial driver's licenses.

Act 868 of 2003 provided for the issuance of a Constitutional Officer special license plate.

Act 1004 of 2003 provided for the issuance of the Susan G. Komen Breast Cancer Education, Research, and Awareness special license plate.

Act 1040 of 2003 provided for the issuance of a University of Arkansas Division of Agriculture special license plate.

Act 1150 of 2003 provided for the issuance of an Arkansas Cattlemen's Foundation special license plate.

Act 1302 of 2003 provided for the issuance of an African-American Fraternity and Sorority special license plate.

Act 1329 of 2003 provided additional authority over the registration of foreign vehicles.

Act 1343 of 2003 provided for the issuance of a Boy Scouts of America special license plate to acknowledge their public services.

Act 1362 of 2003 provided 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 provided for the design, approval, and issuance of Pearl Harbor Survivor special license plates.

Act 28 of 2005 reduced the paperwork required for retired firefighters to renew their specialty plates and levied an additional \$1.00 fee.

Act 185 of 2005 authorized the Operation Iraqi Freedom Veteran license plate.

Act 727 of 2005 authorized the In God We Trust special license plate.

Act 952 of 2005 authorized the Operation Enduring Freedom Veteran license plate.

Act 1574 of 2005 authorized the issuance of the Arkansas State Golf Association special license plates. The design fee is paid by the Association.

Act 1577 of 2005 authorized the Arkansas Fallen Firefighters Memorial Special license plate.

Act 1889 of 2005 created and provided for issuance of a special license plate for Arkansas realtors.

Act 2202 of 2005 repealed most existing law regarding special license plates and transferred authority for issuing additional special plates to the Department of Finance and Administration Director.

Act 347 of 2007 authorized the issuance of a certification to a dealer engaged exclusively in the business of buying and selling all-terrain vehicles upon payment of \$100.

Act 636 of 2009 provided that electric autocycles are to be licensed and registered as motorcycles.

Act 638 of 2011 exempted the Arkansas Forestry Commission from the payment of any fees and charges, except the initial fees and charges required to register the vehicle, required for the operation of a truck, pickup truck, motor vehicle, or other vehicle of any nature owned, used, and operated by the commission upon public highways.

Act 1176 of 2013 created the Commercial Truck Safety and Education Fund, funded by the first \$2,000,000 of fees charged to vehicles with a gross load weight of 73,281 – 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 limited the number of special license plates to the number in existence on January 1, 2014.

Act 448 of 2017 substituted "Office of Motor Vehicle" for "Commissioner of Motor Vehicles".

Act 532 of 2017 created the Arkansas Motor Carrier System to allow a commercial motor carrier or its designee to conduct routine administrative transactions electronically.

Act 368 of 2019 amended vehicle age requirement for a historic or special interest vehicle to 45 years of age or older.

Act 416 of 2019 added additional fees for electric and hybrid vehicles registered in the state.

Act 910 of 2019 changed the title for the Director of the Department of Finance and Administration to the Secretary of the Department of Finance and Administration.

Act 484 of 2021 made a technical correction to the fees for the registration and licensing of Class Four vehicles.

Act 328 of 2021 provided that an electric vehicle or a hybrid vehicle that is registered for a special license plate or a special license plate with a permanent decal is not required to pay the additional registration fee required for electric and hybrid vehicles. the act applies retroactively to October 1, 2019.

Act 376 of 2021 reduced the additional registration fee for hybrid vehicles to \$50 and required the owner of a plug-in hybrid electric vehicle to pay an additional registration fee of \$100.

Act 1093 of 2021 exempted golf carts, low-speed vehicles, electric motorcycles, and hybrid motorcycles from the required additional registration fee for electric vehicles and hybrid vehicles.

Act 211 of 2023 provided that the additional fee for electric vehicles, hybrid vehicles, and plug-in hybrid electric vehicles are highway revenue and are to be distributed to the county aid fund and the municipal aid fund.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 116,824,939	(1.60)
2014	\$ 120,267,477	2.95
2015	\$ 124,311,270	3.36
2016	\$ 130,488,129	4.97
2017	\$ 126,073,530	(3.38)
2018	\$ 132,431,034	5.04
2019	\$ 135,737,453	2.50
2020	\$ 134,911,422	(0.61)
2021	\$ 140,371,871	4.05
2022	\$ 150,586,748	7.28
2023	\$ 148,593,030	(1.32)
2024	\$ 152,863,996	2.87

**Distribution of Tax:**

Special Revenues: 70% to State Highway and Transportation Department Fund, 15% to County Aid Fund, 15% to Municipal Aid.

Each license plate validation and renewal decal levied 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:**

Division of Revenue of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 27-14-103; 27-14-601; 27-14-603; 27-14-613; 27-14-614; 27-14-704; 27-14-1009; 27-14-1015; 27-14-1017; 27-14-1101; 27-14-1402; 27-14-1403; 27-15-2202; 27-15-2304; 27-20-202; 27-20-304

**6.9. 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 Division of the Department of Finance and Administration collects the fee from the commercial operators and deposits the money in the State Treasury.

**Rate and Rental:**

\$33.00 for a single unit

**Exemptions:**

None

**History:**

Act 1179 of 1976 enacted motor vehicle trip permits in the amount of \$25.00 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 Act 440 of 1979 due to the Arkansas Supreme Court decision in *Recarte vs. State*.

Act 992 of 1987 authorized the Chief Fiscal Officer to issue a temporary commercial vehicle registration tag for an operation period not to exceed 72 hours for a fee of \$33.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 424,499	(1.74)
2014	\$ 462,264	8.90
2015	\$ 364,815	(21.08)
2016	\$ 359,799	(1.37)
2017	\$ 300,419	(16.50)
2018	\$ 325,941	8.50
2019	\$ 305,811	(6.18)
2020	\$ 302,907	(0.95)
2021	\$ 408,672	34.92
2022	\$ 468,996	14.76
2023	\$ 414,645	(11.59)
2024	\$ 399,630	(3.62)

**Distribution of Tax:**

Special revenues to State Highway and Transportation Department Fund

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 27-14-1306

## 6.10. OVERWEIGHT PERMITS

The State Highway Commission and local authorities may issue a special permit to transport cargoes of a nature that the cargo cannot readily be taken apart, separated, or dismembered, authorizing applicants to move a vehicle of a size or weight that exceeds the maximum load limit. The fees are remitted to the Administration of Justice Funds Section of the Office of Administrative Services of the Department of Finance and Administration for deposit into the State Highway and Transportation Department Fund.

### Rate and Base:

A charge of seventeen dollars (\$17.00) 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:

Miles To Be Traveled	On Each Ton or Fraction Thereof
Not more than 100	\$ 8
101-150 inclusive	\$10
151-200 inclusive	\$12
201-250 inclusive	\$14
Over 251 miles	\$16

In addition, a fee not to exceed \$500 is charged to vehicles whose gross weight is 180,000 lbs. or greater.

For the movement of overweight construction equipment; a charge of \$17 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 or equipment, charges for such are as follows:

Miles To Be Traveled	On First 5 Tons or Fraction Thereof	On Next 5 Tons or Fraction Thereof	On any Add'l. 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

A \$100 annual special permit fee is charged for the movement of cross-ties and for the movement of a crane that exceeds the legal length.

An annual special permit fee, not to exceed \$500, is charged for the movement of a semi-trailer or trailer unit, operating in combination with a truck tractor unit, which exceeds legal length but not exceeding 57 feet and for the movement of certain truck tractor and single semi-trailer combination with five axles hauling animal feed to livestock or poultry.

An annual permit fee of \$1,000 is charged for operations of a vehicle with a cargo not exceeding 10'8" in width along one designated route from an adjacent state into one county within the State and which one-way mileage is no greater 15 miles.

An annual special permit fee, not to exceed \$5,500, for movement of sealed containerized cargo units under certain conditions.

The annual special permit fee for the movement of a vehicle utilized exclusively for the drilling of water wells, or an auger utilized for loading agricultural aircraft, is \$100 if within a 35 mile radius and \$300 if exceeding the 35 mile radius.

There is no charge for special permits authorizing the transportation of round hay bales, under ten feet, on controlled highways. Permit expires after three days.

A special permit for towing businesses, not to exceed \$500 per wrecker or tow vehicle, when used as emergency vehicles.

An annual special permit fee, not to exceed \$250 for the movement of a truck tractor and single semi-trailer combination with five axles for the hauling of forestry equipment in excess of the maximum gross weight but not more than 104,000 lbs of total gross weight.

### Exemptions:

1. Any governmental agency when the vehicle is public property and on official business.
2. Forestry machinery.
3. Vehicle or machinery used for normal farm purposes or when farm machinery is being delivered to the farm.
4. To transport round hay bales on public highways, if load doesn't exceed 12' in width.
5. Motor homes or camping trailers if the excess width is caused by a non-cargo carrying appurtenance that extends no more than six inches beyond the body of the vehicle.

### History:

Act 152 of 1953 authorized overweight permits as follows: A charge shall be made of \$5 for each special permit; an additional \$5 per ton shall be charged for each ton, or fraction thereof, of the first five tons in excess of 56,000 lbs.; an additional seven dollars and fifty cents \$7.50 per ton for each ton or fraction thereof, of the next five tons; and an additional \$10 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 shall be made for each special permit; an additional \$4 per ton shall be charged for each ton, or fraction thereof, of the first five tons in excess of 56,000 lbs. excluding the front axle; an additional \$6 per ton, for each ton, or fraction thereof, of the next five tons; and an additional \$8 per ton for each additional ton, or fraction hereof.

Miles To Be Traveled	On First 5 Tons or Fraction Thereof	On Next 5 Tons or Fraction Thereof	On any Add'l. 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 and revised the fee schedule.

Act 704 of 1991 authorized the issuance of permits for the movement of overweight construction equipment.

Act 873 of 1993 authorized the issuance of annual permits for the movement of water drilling equipment exceeding a certain length for a period of 1 year for \$300.

Act 136 of 1997 provided 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 three days.

Act 1156 of 1997 provided for consecutive movements or operations of a vehicle with a cargo not exceeding 10'8" in width along one designated route from an adjacent state into one county within the State and which one-way mileage is no greater than 15 miles. Fee for such permit is \$1,000.

Act 1511 of 1999 authorized issue of special annual permits for the movement of cross-ties from their first point of processing to the point where they will undergo creosote processing.

Act 1571 of 1999 authorized the issue of special permits for the movement of sealed containerized cargo units under certain conditions.

Act 276 of 2005 authorized the issuance of a permit for the movement of earthmoving equipment used primarily in farming beyond a 50-mile radius.

Act 1412 of 2005 exempted motor homes or camping trailers if the excess width is caused by a non-cargo carrying appurtenance that extends no more than 6" beyond the body of the vehicle.

Act 639 of 2007 increased the special permit charge to \$17 and created an additional charge of \$500 on vehicles whose gross weight is 180,000 lbs. or greater.

Act 1092 of 2013 authorized a special permit for the movement of a semi-trailer or trailer unit, operating in combination with a truck tractor unit, which exceeds legal length but not exceeding 57 feet.

Act 1267 of 2013 provided for a special permit for the movement of certain truck tractor and single semi-trailer combination with five axles hauling animal feed to livestock or poultry.

Act 740 of 2015 modified the restrictions on movement of sealed containerized cargo and capped the special permit fee at \$5,500.

Acts 11 and 12 of the First (1st) Ex. Sess. of 2015 exempted vehicles and machinery used for farm purposes on certain highways.

Act 650 of 2017 authorized the commission to issue a special permit valid for one year authorizing the movement of a vehicle hauling farm machinery equipment that do not exceed 12' for a fee not to exceed \$500.

Act 1085 of 2017 authorized the issuance of a special permit valid for one (1) year authorizing the movement of a truck

tractor and semi-trailer combination with a minimum of five axles hauling agronomic or horticultural crops in their natural state that do not exceed a total gross weight of 100,000 lbs.

Act 859 of 2019 allowed the special permit authorized under Act 1085 of 2017 to be issued to a truck tractor and semi-trailer-trailer combination.

Act 451 of 2021 authorized the commission to issue a special permit valid for one year for the movement of a truck tractor and single semi-trailer combination with five axels for the hauling of a forestry equipment in excess of the maximum gross weight but not more than 104,000 lbs. of total gross weight. The act also required the department to adopt rules necessary to implement the issuance of a special permit to transport forestry equipment, including the criteria required to qualify for the issuance of the special permit.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 18,226,807	(9.88)
2014	\$ 17,697,348	(2.90)
2015	\$ 17,343,887	(2.00)
2016	\$ 16,453,896	(5.13)
2017	\$ 16,151,117	(1.84)
2018	\$ 16,294,253	0.89
2019	\$ 16,441,436	0.90
2020	\$ 15,970,528	(2.86)
2021	\$ 15,470,458	(3.13)
2022	\$ 15,932,050	2.98
2023	\$ 16,857,825	5.81
2024	\$ 17,644,309	4.67

### Distribution of Tax:

Special Revenues to State Highway and Transportation Department Fund

### Administered by:

State Highway Commission and Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 27-35-209; 27-35-210; 27-35-211

## 6.11. OFFICE OF DRIVER SERVICES FEES

Reinstatement Fee- suspension for  
nonpayment of judgments

\$100

The Office of Driver Services of the Department of Finance and Administration is charged with the administration of driver's licenses, driver's records, suspension, reinstatement of driver's licenses, and motor vehicle insurance verification and safety responsibility.

### Rate and Base:

	Fee
Driver's License and Renewal Fees - Class D and M, 8-year	\$ 24
Driver's License and Renewal Fees - Class M and D, 8-year (70 years of age or older)	\$ 24
Driver's License and Renewal Fees - Class M and D, 4-year (70 years of age or older)	\$ 12
Driver's License and Renewal Fees - Intermediate Class D and Class M, 2-year	\$ 12
Driver's License and Renewal Fees - Class learners D and Class M, 2-year	\$ 12
Driver's License and Renewal Fees - Class MD, 2-year	\$ 2
Commercial Driver's License, 5-year	\$ 50
Eye sight testing, 4-year	\$ 1
Eye sight testing, 8-year	\$ 2
Driver's License Renewal, 4-year	\$ 6
Driver's License Renewal, 8-year	\$ 12
Driver's License Written exam	\$ 5
Driver's License First license after examination	\$ 1
Digital Driver's License (Optional, additional to standard driver's license)	\$10
CDL Examination Fee	up to \$ 50
Driver's License Record	\$ 8.50
Commercial Driver's License Search Fee, by an employer	\$ 10.00
Driver License Status Report, for rental car companies	\$ 1
Driver Monitoring Fee	\$0.12-0.19 monthly
Identification Card Fee	\$ 5
Duplicate License Fee	\$ 5
Driver License Reinstatement Fees: (per occurrence or order)	
Refusal to submit to chemical test	\$ 25
DWI or Boating DWI	\$150
Underage DUI or Boating DUI	\$ 25
Court ordered suspension	\$100
Administrative order	\$100
Insurance Verification Fees from:	
Reinstatement Fee- court ordered insurance non-compliance	\$ 20
Insurance Company non-compliance penalty	up to \$250 /day
Safety Responsibility Fees:	
Reinstatement Fee- suspension for failure to deposit	\$100

### Exemptions:

Driver's License:

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 is at least 16 years old, who has a license issued to him in his home state.
4. A nonresident, who is at least 18 years old, who has a commercial license issued to him in his home state may operate as a commercial or noncommercial operator.
5. A nonresident, who is at least 18 years old, whose home state or country does not require a license may operate a vehicle for 90 days, if the motor vehicle is duly registered in the home state or country of the nonresident.

Reports of drivers' records to all courts, law enforcement agencies, governmental agencies, and public transit systems.

Identification card, license, and reinstatement fees waived for eligible inmates.

### History:

Act 280 of 1937 enacted driver's license fees.

Act 311 of 1977 imposed the special driver's license fees.

Act 465 of 1977 enacted the driver's search fees.

Act 817 of 1985 changed the distribution of motor vehicle operators, chauffeur's license, and 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 provided that as in effect on and after July 1, 1987, until 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. 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 driver's license expiration dates.

Act 241 of 1989 authorized the issuance of the commercial driver's license for operation of a commercial vehicle with a gross vehicle weight rating of 26,001 lbs. or more, or a commercial vehicle designed to carry 16 passengers or more, or a vehicle transporting hazardous materials. Increased the Driver's Search Fee to \$7 for all licenses except commercial driver's licenses, and imposed a \$10 search fee for commercial driver's licenses. Provided that all drivers' licenses shall be issued for a period of four years.

Act 385 of 1989 increased the fee for a duplicate license or an identification license from \$2 – \$5.

Act 621 of 1989 provided 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 702 of 1989 provided 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 Third (3rd) Ex. Sess. of 1989 provided that individuals may apply for a commercial driver's license to be restricted to the driving of a school bus and only pay the noncommercial driver's license fee.

Act 164 of 1991 allowed a person who drives a church bus to apply for a restricted commercial driver's license to drive only church buses. The fee for the restricted license is \$26.

Act 782 of 1991 established a driver's license exam fee of \$5 for each exam up to three subsequent exams are at no cost. The fee is deposited in the State Police Fund.

Act 852 of 1991 allowed a person who drives a nonprofit daycare bus to apply for a restricted commercial driver's license to drive only daycare buses. The fee for the restricted license is \$26.

Act 1042 of 1991 reduced the application fee for the commercial driver's license to \$41 as in effect on and after July 1, 1992.

Act 413 of 1995 provided that persons with a valid driver license issued by another state may obtain an Arkansas license by paying a transfer fee of \$5, instead of taking the written driver's exam.

Act 1500 of 2001 increased the driver's license rate by six dollars \$6, up to a total of \$20, and provided that the additional revenue be utilized to fund health insurance premiums for uniformed employees of the Arkansas State Police.

Act 836 of 2003 eliminated provisions allowing the use of a person's social security number as a driver's license number.

Act 1001 of 2003 increased the fees for reinstatement of Driver's Licenses that have been suspended or revoked for operating a motor vehicle while intoxicated to \$150. Changed the distribution of fees to 33% deposited as special revenues in the State Treasury into the Constitutional Officers Fund and the State Central Services Fund as a direct revenue to be used by the Office of Driver Services for use in supporting the administrative driver's licensing revocation and sanctions; 10% deposited in the State Treasury to be credited as general revenues to the various funds to be used for the purposes provided in the Revenue Stabilization Law; 50% deposited in the State Treasury as special revenues to the credit of the Department of Arkansas State Police Fund. \$100 reinstatement fee of driver's license suspended, revoked, or cancelled.

Act 1992 of 2005 amended the law concerning the fees for reinstatement of Driver's Licenses that have been suspended or revoked for operating a motor vehicle while intoxicated to be

calculated by multiplying \$150 for each separate occurrence of offenses resulting in an administrative suspension order. The reinstatement fee for a driver's license suspended because of a violation of statute 5-65-303 or 5-65-310, is calculated by multiplying \$25 dollars for each separate occurrence.

Act 343 of 2015 increased driver's license fees and the permit period.

Act 856 of 2015 repealed and replaced the uncodified Act 1057 of 1997.

Act 702 of 2015 created the driver monitoring program.

Act 1193 of 2015 provided that if a person's driving privileges are suspended or revoked solely as a result of outstanding driver's license reinstatement fees, the office shall collect only one reinstatement fee of \$100 to cover all administrative orders to suspend, revoke, or cancel a driver's license.

Act 460 of 2017 amended the validity period of a driver's license of a Class D license or a Class M license to be elected by the applicant of either 4 years (\$12) or 8 years (\$24).

Act 463 of 2017 amended the law to comply with recent changes to federal law so that a person does not have to apply for a duplicate driver's license if there is a change in his or her residential address.

Act 557 of 2017 authorized issuance of a digital copy of a driver's license for an additional fee of \$10.

Act 915 of 2017 allowed payment of only one reinstatement fee of \$100 to cover all administrative orders to suspend, revoke, or cancel a driver's license in certain situations.

Act 1016 of 2017 created the Arkansas Online Insurance Verification System Act and provided a \$100 fee to reinstate suspended registration for operating a vehicle in violation of act.

Act 586 of 2019 amended the amount of payment required to obtain a driver record or abstract if authorized by law to \$8.50.

Act 803 of 2019 allowed driver's license reinstatement fees to be offset against the taxpayers state income tax refund.

Act 869 of 2019 amended the mandatory fine minimum imposed for operating a motor vehicle without insurance to \$100.

Act 1031 of 2019 amended the eyesight test requirement for a driver's license to either eight years or sixteen years depending on the validity period of the driver's license.

Act 257 of 2021 provided for the issuance of a driver's license or identification card without a photograph if the requirement of a photograph is objectionable on the grounds to the person's sincerely held religious belief that prohibits him or her having his or her photograph taken.

Act 753 of 2021 authorized the Office of Driver Services to issue a commercial driver's license for a period of five years and requires the application for a commercial driver license to be accompanied by an application fee of \$50. Commercial driver's license fee of \$25 is credited to the Department of Finance and Administration's Commercial Driver License



Fund and \$25 is credited to the Division of Arkansas State Police Financing Fund.

Act 261 of 2023 amended the law concerning digitized driver's licenses. The act authorized the issuance of a digitized driver's license that is downloaded through an application on a mobile device and provided that a digitized driver's license may be accepted by a public entity or a private entity for all state purposes for which a driver's license is required. The act moved the \$10 fee for a digital driver's license from § 27-16-801 to § 27-16-817. The act also prohibited a law enforcement officer from requiring a person to surrender a mobile device or to search, view, or access any other data or applications on the mobile device when viewing a person's digitized driver's license.

**Revenues Generated:**

**Driver's License Fees**

Fiscal Year Ending June 30	Amount	Deposited to Treasury
2013	\$ 9,981,897	\$ 4,980,825
2014	\$ 10,097,825	\$ 5,152,779
2015	\$ 10,116,602	\$ 5,352,867
2016	\$ 13,338,837	\$ 8,576,658
2017	\$ 16,732,964	\$ 8,244,942
2018	\$ 17,757,644	\$ 8,273,572
2019	\$ 13,412,302	\$ 9,445,414
2020	\$ 11,231,420	\$ 8,786,985
2021	\$ 6,078,510	\$ 5,188,922
2022	\$ 6,963,094	\$ 6,033,037
2023	\$ 10,649,146	\$ 9,588,221
2024	\$ 9,409,464	\$ 6,579,551

The total includes cash funds pledged as revenue for debt service payments; funds in excess of those required for debt payment are deposited in the State Treasury for use by the Arkansas State Police.

**Commercial Driver's License Fees**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 667,299	(6.57)
2014	\$ 739,750	10.86
2015	\$ 690,099	(6.71)
2016	\$ 642,100	(6.96)
2017	\$ 595,386	(7.28)
2018	\$ 670,088	12.55
2019	\$ 754,772	12.64
2020	\$ 769,571	1.96
2021	\$ 728,845	(5.29)
2022	\$ 901,483	23.69
2023	\$ 971,853	7.81
2024	\$ 974,445	0.27

**Commercial Driver's License Examination Fees**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 600,920	(1.25)
2014	\$ 642,188	6.87
2015	\$ 688,940	7.28
2016	\$ 623,621	(9.48)
2017	\$ 518,013	(16.93)
2018	\$ 576,233	11.24
2019	\$ 639,390	10.96
2020	\$ 595,012	(6.94)
2021	\$ 603,515	1.43
2022	\$ 823,219	36.40
2023	\$ 624,214	(24.17)
2024	\$ 573,414	(8.14)

**Driver's License Search Fees**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 8,441,892	24.11
2014	\$ 7,678,428	(9.04)
2015	\$ 9,459,091	23.19
2016	\$ 9,075,612	(4.05)
2017	\$ 9,324,119	2.74
2018	\$ 9,308,127	(0.17)
2019	\$ 9,611,990	3.26
2020	\$ 8,945,631	(6.93)
2021	\$ 8,892,657	(0.59)
2022	\$ 8,249,079	(7.24)
2023	\$ 9,587,781	16.23
2024	\$ 9,644,680	0.59

**Commercial Driver's License Search Fees**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 1,875,742	19.46
2014	\$ 1,632,458	(12.97)
2015	\$ 2,066,380	26.58
2016	\$ 2,000,605	(3.18)
2017	\$ 2,041,414	2.04
2018	\$ 2,262,736	10.84
2019	\$ 2,136,070	(5.60)
2020	\$ 2,108,255	(1.30)
2021	\$ 2,262,754	7.33
2022	\$ 2,131,087	(5.82)
2023	\$ 2,521,575	18.32
2024	\$ 2,458,285	(2.51)

## Special Driver's License Fees

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 850,622	(2.78)
2014	\$ 826,038	(2.89)
2015	\$ 753,281	(8.81)
2016	\$ 776,993	3.15
2017	\$ 823,694	6.01
2018	\$ 842,240	2.25
2019	\$ 873,246	3.68
2020	\$1,114,878	27.67
2021	\$1,124,843	0.89
2022	\$1,148,197	2.08
2023	\$1,103,781	(3.87)
2024	\$1,052,134	(4.68)

### Distribution of Tax:

Driver's license fees: \$12 or \$6 of the permit fees are deposited in the Division of Arkansas State Police Fund to be used for the payment of health insurance premiums for uniformed employees of the Division of Arkansas State Police. The remainder of permit fees and the written examination fee are to be deposited to the Division of Arkansas State Police Financing Fund. The fees collected for the issuance of a digital driver's license are deposited in the State Central Services Fund to be used by the Revenue Division of the Department of Finance and Administration to defray the cost of administering a digital copy of a driver's license.

Driver's license renewal fees, eye sight testing fees, first time license fees, and \$1.00 of the written exam fees are deposited to the State Treasury and credited to the Constitutional Officers Fund and the State Central Services Fund with net to the Department of Finance and Administration.

Commercial driver's license fees: License fee of \$25 is credited to the Department of Finance and Administration's Commercial Driver License Fund; \$25 is credited to the Division of Arkansas State Police Financing Fund. Examination Fee is credited to the Division of Arkansas State Police Fund.

Driver's license search fees: \$10 fee; \$4 credited to the Commercial Driver License Fund; \$6 to State Highway and Transportation Department Fund;

Seven dollar (\$7.00) fee: One dollar (\$1.00) credited to the Commercial Driver License Fund; six dollars (\$6.00) to State Highway and Transportation Department Fund

Driver license status report fee credited to Department of Finance and Administration

Driver monitoring fee: One cent (1¢) to State Highway and Transportation Department Fund and twelve cents (12¢) to Department of Finance and Administration.

Identification card and duplicate license fees: credited to Constitutional Officers Fund; State Central Services Fund and the Department of Finance and Administration. Five dollars (\$5.00) of the duplicate license fee is credited to the Division of Arkansas State Police Fund.

Reinstatement and safety responsibility fees:

For court ordered suspension is credited as twenty-five percent (25%) to the State Police Retirement Fund and seventy-five percent (75%) to the Division of Arkansas State Police Fund.

For administrative order and safety responsibility fees are deposited to the Arkansas State Police Fund.

For underage DUIs is credited forty percent (40%) to the Public Health Fund and ten percent (10%) general revenue and fifty percent (50%) to the credit of the Division of Arkansas State Police Fund.

For DWI, boating DWI, refusal to submit to chemical test the fee is distributed: seven percent (7%) to Public Health Fund, thirty-three percent (33%) to Department of Finance and Administration, ten percent (10%) to general revenue, and fifty percent (50%) to the Division of Arkansas State Police Fund.

Insurance verification fees are credited to the Department of Finance and Administration

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 5-65-119; 5-65-303; 5-65-304; 27-16-508; 27-16-603; 27-16-801; 27-16-805; 27-16-806; 27-16-808; 27-16-817; 27-19-301 et seq.; 27-19-610; 27-19-707; 27-22-103; 27-22-107; 27-23-110; 27-23-117; 27-23-118; 27-50-906; 27-50-909; 27-50-912; 27-23-111

## 6.12. TITLE TRANSFER FEE

In addition to the fee for an application for registration of a motor vehicle, a title transfer fee is 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:

\$8 per motor vehicle

Expedited title fee – \$10

### Exemptions:

None

### History:

Effective Date	Transfer Fee
July 1, 1979	\$10
July 1, 1981	\$ 4

Act 718 of 2011 increased the transfer fee to \$8 and distributed 50% of the net amount to the State Police Retirement Fund.

Act 494 of 2019 created an expedited title processing service for motor vehicle and imposed a fee for the service.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 10,074,523	1.49
2014	\$ 10,192,837	1.17
2015	\$ 10,326,488	1.31
2016	\$ 10,480,410	1.49
2017	\$ 10,528,894	0.46
2018	\$ 10,429,581	(0.94)
2019	\$ 10,280,325	(1.43)
2020	\$ 10,652,243	3.62
2021	\$ 11,664,712	9.50
2022	\$ 11,468,609	(1.68)
2023	\$ 10,939,488	(4.61)
2024	\$ 10,978,737	0.36

### Distribution of Tax:

Special Revenues:

Three percent (3%) of the gross deducted by the Treasurer of State. Of the remaining revenues, 50% distributed as follows: 15% to cities, 15% to counties, and 70% to State Highway and Transportation Fund; and 50% credited to the State Police Retirement Fund.

Expedited Title fees – Commercial Driver License Fund

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 27-14-705

# Chapter 7 - Gaming Taxes

**Cite:**

Arkansas Code (1987) 23-114-201; 23-114-302' 23-114-307; 23-114-601; 23-114-605

## 7.1. BINGO TAX

The Charitable Bingo and Raffles Enabling Act allows authorized organizations a license to conduct games of bingo and raffles.

**Rate and Base:**

Three-tenths of one cent per bingo face sold

Authorized Organization license fee .....	\$ 100
Temporary license fee for one bingo session .....	\$ 25
Class I temporary raffle license .....	\$ 25
Class II temporary raffle license .....	\$ 10
Bingo equipment distributor license .....	\$2,500
	annually
Bingo equipment manufacture license .....	\$2,500
	annually

**Exemptions:**

Bingo faces taxed under Arkansas Code Annotated § 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 provided for charitable bingo and raffles.

Act 499 of 2009 granted 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 (0.3¢) upon the sale of each bingo face.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 268,364	(6.35)
2014	\$ 243,198	(9.38)
2015	\$ 236,466	(2.77)
2016	\$ 239,169	1.14
2017	\$ 214,659	(10.25)
2018	\$ 202,568	(5.63)
2019	\$ 204,112	0.76
2020	\$ 161,154	(21.05)
2021	\$ 142,870	(11.35)
2022	\$ 147,913	3.53
2023	\$ 144,581	(2.25)
2024	\$ 126,789	(12.31)

**Distribution of Tax:**

General Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

## 7.2. DOG RACES

Greyhound racing and pari-mutuel wagering were legalized in 1935, and certain fees and taxes were imposed that are collected by the Arkansas Racing Commission and are turned in to the Revenue Division of the Department of Finance and Administration for remittance to the Treasurer of State.

### Rate and Base:

1. Three percent (3%) on the first \$125,000,000 wagered – State seven percent (7%) on wagers over \$125,000,000;
2. Sixteen percent (16%) on the first \$125,000,000 wagered – franchise hold 12% on wagers over \$125,000,000;
3. One-third of the odd cents or breaks – State;
4. Two-thirds of the odd cents or breaks – city or county in which track is located;
5. One-half of unredeemed winning tickets – county in which track is located;
6. One-half of unredeemed winning tickets – city in which track is located;
7. Ten percent of all moneys received each day from admissions, or 10¢ on each paid admission, whichever sum is greater – State;
8. Three hundred dollars (\$300) per day as a license fee for each day of a racing meet – State;
9. Net proceeds derived from the three additional days of racing shall be as follows:
  - a. One-third to be deposited with the City Treasurer and credited to the City General Fund to be used for charitable purposes;
  - b. Two-thirds to be deposited with the State Treasurer to be used for the sole benefit of community programs of the Department of Human Services Division of Developmental Disabilities Services.
10. 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.
11. Revenue derived from the 15 additional days of racing shall be deposited as special revenue for credit to the Indigent Patient's 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. However, each year, the first \$85,000 shall be remitted directly to Arkansas State University Mid-South.
12. Annual License Fees:
 

Authorized Agent (for each owner represented).....	\$38
Kennel Name .....	\$60
Owner .....	\$60

Partnership or Corporation .....	\$60
Trainer .....	\$55
Assistant Trainer .....	\$50
Employee .....	\$ 5
Registration for each Greyhound .....	\$ 2
Breeder .....	\$60

### 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. Five percent tax on all pari-mutuel pools;
2. Ten cents 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 per night .....	\$ 100
On \$20,001 to \$30,000 per night .....	\$ 200
On \$30,001 to \$40,000 per night .....	\$ 300
On \$40,001 to \$50,000 per night .....	\$ 400
On \$50,001 to \$60,000 per night .....	\$ 500
On \$60,001 to \$70,000 per night .....	\$ 600
On \$70,001 to \$80,000 per night .....	\$ 900
On \$80,001 to \$90,000 per night .....	\$1,000

 and \$1,000 per night on any sum over \$100,000 so handled in any one night, said payment to be made the day following each race meeting.

Act 191 of 1957, also known as “Arkansas Greyhound Racing Law,” repealed Act 339 of 1935 and imposed the following taxes, licenses, and fees:

1. Three hundred dollars per day license fee for each day of racing meet;
2. Ten dollar license fee for each greyhound owner;
3. Ten dollar license fee for each greyhound trainer;
4. Five percent of all moneys wagered as a privilege tax;
5. One-third of the odd cents or breaks to the State;
6. Ten percent of all moneys received each day from admissions, or ten cents for each paid admission, whichever sum is greater;
7. One-third of the odd cents or breaks to the franchise holder;
8. One-third of the odd cents or breaks to the city where the track is located;

The act also limited the number of meets that could be held to 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. One-third 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 (2) 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 two-thirds 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 two-thirds 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. 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. One-third to the State as general revenues;
2. One-third to the county where track is located;
3. One-third to the city where track is located.

Act 875 of 1973 provided 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. One-quarter for Crittenden County emergency medical services for medical indigents;
2. Three-quarters 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 sixty 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 twelve 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 authorized 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, and 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 .....	6 days
Total Authorized Annual Racing Days .....	281 days

Act 664 of 1991 made the franchise holder responsible for issuing racing passes and prohibited the Racing Commission from regulating the issuance of racing passes.

Act 850 of 1991 increased from 11% to 12% the amount of takeout that is retained by the franchise holder.

Act 1117 of 1991 required 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 allowed six additional days of racing in a twelve-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: Two percent (2%) of all moneys wagered up to \$350,000; three percent (3%) of all moneys wagered over \$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 allowed for withholding a greater percentage.

Acts 342 and 347 of 1995 increased the number of racing days to 122 per meet. These acts also reduce the privilege tax from 7% to 3% on the first \$125,000,000, and 7% on wagers over \$125,000,000.

Act 1509 of 1999 made the following adjustments to Arkansas Code Annotated § 23-111-509 regarding revenues collected from dog racing:

1. Continues the percentages and amounts franchise holders can retain for their own use, but amended the Arkansas Code Annotated 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 provided that for each year the first \$85,000 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 redirected the revenue derived from the pari-mutual tax at the 15 additional days of racing to 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 1/5 of the total funds available or the amount certified of unreimbursed medical expenses, whichever is less.

Act 1837 of 2001 reduced the rate of the State privilege tax to one percent (1%) of simulcast races.

Act 1151 of 2005 permitted 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. Fourteen percent net wagering to franchise holder
2. One percent net wagering to Arkansas Racing Commission
3. One percent net wagering to the Arkansas Racing Commission to be used for breeders' awards
4. Eighteen percent net wagering to State general revenues
5. One-half of one percent to county in which franchise operates
6. One and one-half percent to city in which franchise operates

Act 140 of the Fiscal Session of 2016 changed the name of Mid-South Community College to Arkansas State University Mid-South for purposes of the disposition of pari-mutuel tax revenue.

Act 425 of 2017 amended the process for the disposition of license fees, fines, and other moneys by the Arkansas Racing Commission.

**Revenues Generated:**

**General Revenues**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 932,805	(2.48)
2014	\$ 993,576	6.51
2015	\$ 917,243	(7.68)
2016	\$ 857,265	(6.54)
2017	\$ 1,016,445	18.57
2018	\$ 886,399	(12.79)
2019	\$ 824,128	(7.03)
2020	\$ 522,208	(36.64)
2021	\$ 520,819	(0.27)
2022	\$ 500,199	(3.96)
2023	\$ 304,613	(39.10)
2024	\$ 206,881	(32.08)

**Special Revenues**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 140,601	(5.83)
2014	\$ 143,936	2.37
2015	\$ 127,761	(11.24)
2016	\$ 125,933	(1.43)
2017	\$ 92,551	(26.51)
2018	\$ 154,341	66.76
2019	\$ 122,164	(20.85)
2020	\$ 82,581	(32.40)
2021	\$ 39,876	(51.71)
2022	\$ 67,314	68.81
2023	\$ 51,992	(22.76)
2024	\$ 6,884	(86.76)

**Distribution of Tax:**

General and Special Revenues

Any increase in the amount designated by the commission for licensing fees after January 1, 2017, shall be returned to and deposited into a cash fund of the Racing Division.

**Administered by:**

Arkansas Racing Commission

**Cite:**

Arkansas Code (1987) 23-111-104; 23-111-501 et seq.

### 7.3. ELECTRONIC GAMES OF SKILL

Cities and counties may, by local option election, authorize additional forms of electronic games of skill at horse racing and greyhound racing parks in their communities.

#### Rate and Base:

1. Fourteen percent net wagering to franchise holder
2. One percent net wagering to the Arkansas Racing Commission
3. Eighteen percent net wagering to State general revenues
4. One-half of one percent net wagering to county in which franchise operates
5. One and one-half percent net wagering to city in which franchise operates
6. Equipment supplier license fee – \$1,000 annually
7. Three percent on any single payment of winnings from electronic games of skill of \$1,200 or more on a single wager to the state

#### Exemptions:

None

#### History:

Act 1151 of 2005 permitted local election to authorize electronic games of skill at greyhound and horse racing tracks in its community and set contributions to purses and breeding programs from electronic games of skill.

Act 732 of 2007 levied an income tax of 3% on winnings paid by electronic games of skill at Oaklawn Jockey Club and Southland Greyhound Park on any single payment of winnings of \$1,200 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.

Act 610 of 2021 amended the requirements for the election in which the city or county voters determine whether to allow new racetrack wagering in that city or county.

#### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 35,840,961	30.76
2014	\$ 39,416,636	9.98
2015	\$ 47,248,264	19.87
2016	\$ 62,529,461	32.34
2017	\$ 64,211,150	2.69
2018	\$ 64,377,684	0.26
2019	\$ 68,862,821	7.24
2020	\$ 5,657,495	(91.78)
2021	-0-	(100.00)
2022	-0-	
2023	-0-	
2024	-0-	

#### Distribution of Tax:

General Revenues

#### Administered by:

1. Arkansas Racing Commission
2. Revenue Division of the Department of Finance and Administration

#### Cite:

Arkansas Code (1987) 23-113-201; 23-113-501; 26-51-1309



## 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 Arkansas Racing Commission, which turns in the revenues to the Revenue Division of the Department of Finance and Administration for transmittal to the State Treasury.

### Rate and Base:

1. Five hundred dollar license fee per day for each racing day;
2. Sixty dollar license fee for each horse owner;
3. Fifty-five dollar license fee for each horse trainer;
4. Fifty-five dollar license fee for each jockey and jockey agent;
5. Sixty dollar license fee for each partnership
6. Sixty dollar license fee for each stable name
7. Forty-five dollar license fee for each veterinarian
8. Thirty-eight dollar license fee for each authorized agent
9. Thirty-five dollar license fee for each horseshoer
10. Five dollar license fee for each employee
11. Ten percent of all moneys received each day from admissions or 10¢ on each paid admission, whichever sum is greater (State)
12. Privilege tax of 1% of all money wagered (State)
13. One-third of the unredeemed winning pari-mutuel tickets (State);
14. One-third of the unredeemed winning pari-mutuel tickets retained by the franchise holder;
15. One-third of the unredeemed winning pari-mutuel tickets paid to the county in which the racing track is located for credit to the county's general fund;
16. During the first racing meet in any calendar year, the franchise holder shall withhold and pay the breaks to the following recipients: 48.25% of the breaks shall be paid to the city or county in which the racing meet is conducted; 11.75% of the breaks shall be paid to the county in which the racing meet is conducted; and the remaining 40% of the breaks shall be withheld and retained by the franchise holder.

### Exemptions

None

### History:

Act 46 of 1935 legalized wagering at licensed horse race meetings for the first time and levied the following taxes and fees:

1. Five hundred dollar license fee for each racing day;
2. Ten dollar license fee for each owner and trainer;
3. Five dollar license fee for each jockey and jockey's agent;
4. Ten percent 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. Four percent 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 four percent to five percent 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 one-half to the Unapportioned Fund and one-half to the Municipal Aid Fund.

Act 232 of 1951 repealed Act 48 of 1949 and provided that two-thirds 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, also known as the "Arkansas Horse Racing Law," repealed all previous laws regarding horse races and provided the following licenses, fees, and privilege tax:

1. Twenty-five thousand dollar fee for a racing franchise;
2. Five hundred dollar license fee for each racing day;
3. Ten dollar license fee for each owner and trainer;
4. Five dollar license fee for each jockey and jockey's agent;
5. Five percent of all money wagered;
6. One-third of the odd cents or breaks;
7. Ten percent or ten cents of paid admissions, whichever is greater.

Of the other two-thirds of the odd cents or breaks, the franchise holder retains one-third and pays the city one-third. The act 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 3 of 1961 provided that instead of two meets of 31 days, a franchise holder could conduct one meet of 43 days.

Act 142 of 1965 amended Act 46 of 1957 to increase the privilege tax on all moneys wagered from 5% to 6%, with one-sixth (1/6) of the privilege tax to be classified as special revenues for credit to the State Police Fund. Act 142 provided that the unredeemed winning pari-mutuel tickets be divided as follows:

1. One-third to be retained by the franchise holder;
2. One-third to be paid to the county in which the track is located;
3. One-third to be deposited in State Treasury for credit to the State Police Fund.

Act 130 of 1967 encouraged 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 one-third of the odd cents or breaks shall be paid to the city in which the racing meet is conducted;



**Unredeemed Winning Tickets:**

1/3 to Franchise Holder

1/3 to State General Revenues

1/3 to Garland County General Fund

Act 12 of 1989 set the state’s “take-out” of all moneys wagered at two and one-half percent (2.5%) and provided the franchise holder a sliding scale “take-out” between five and one-half percent (5.5%) and twenty-one percent (21%), inclusive, depending on the type of bet. This Act also provided 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%

Act 664 of 1991 made the franchise holder responsible for issuing racing passes and prohibited the Racing Commission from regulating the issuance of racing passes.

Act 1117 of 1991 required 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 amended the State privilege tax rate on pari-mutuel wagering on horse racing to 1% of all money wagered beginning in 2002.

Act 1837 of 2001 reduced by 1% the State privilege tax on simulcast races.

Act 1151 of 2005 permitted 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
- 0.5% to county in which franchise operates
- 1.5% to city in which franchise operates

Act 425 of 2017 amended the process for the disposition of license fees, fines, and other moneys by the Arkansas Racing Commission.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 2,041,627	(15.61)
2014	\$ 1,952,216	(4.38)
2015	\$ 1,746,304	(10.55)
2016	\$ 1,632,980	(6.49)
2017	\$ 1,388,016	(15.00)
2018	\$ 1,293,671	(6.80)
2019	\$ 1,208,993	(6.55)
2020	\$ 1,141,784	(5.60)
2021	\$ 1,109,103	(2.86)
2022	\$ 1,290,958	16.40
2023	\$ 1,259,451	(2.44)
2024	\$ 1,217,946	(3.30)

**Distribution of Tax:**

**General Revenues**

Any increase in the amount designated by the commission for licensing fees after January 1, 2017, shall be returned to and deposited into a cash fund of the Racing Division.

**Administered by:**

Arkansas Racing Commission

**Cite:**

Arkansas Code (1987) 23-110-104; 23-110-401 et seq.

## 7.5. PAID FANTASY SPORTS

A person who is in the business of conducting paid fantasy sports games is required to pay a tax for the privilege of conducting paid fantasy sports games.

### Rate and Base:

Eight percent (8%) of the game operator's gross paid fantasy sports game revenues from the previous State fiscal year.

### Exemptions:

None.

### History:

Act 1075 of 2017 levied a privilege tax in the amount of eight percent (8%) of the game operator's gross paid fantasy sports game revenues from the previous State fiscal year.

### Revenues Generated:

#### General Revenues:

Fiscal Year Ending June 30	Amount	%Change
2017	-0-	
2018	\$ 90,119	100.00
2019	\$ 117,987	30.92
2020	\$ 113,303	(3.97)
2021	\$ 132,599	17.03
2022	\$ 226,777	71.02
2023	\$ 487,604	115.02
2024	\$ 1,524,935	212.74

### Distribution of Tax:

General Revenue

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 19-6-201, 23-116-104

## 7.6. CASINOS AND CASINO GAMING

The Arkansas Casino Gaming Amendment of 2018, Arkansas Constitution, Amendment 100, authorized casinos and casino gaming in Arkansas. The amendment required the issuance of four casino licenses in the state and provided for the taxation of net casino gaming receipts. In addition, the amendment required contributions to purses and the provision of funding for compulsive gambling related treatment and education. The amendment also authorized sports wagering in the state.

### Rate and Base:

Casino License Fees:

Application Fee .....	Up to \$250,000
License Renewal Fee.....	Up to \$ 10,000 (renewed every 10 years)

Net Casino Gaming Receipts Tax:

For each fiscal year, a casino licensee's net casino gaming receipts are subject to a net casino gaming receipts tax as follows:

- (1) 13% on the first \$150,000,000 of net casino gaming receipts or any part thereof; and
- (2) 20% on net casino gaming receipts exceeding \$150,000,001 or any part thereof.

Miscellaneous Contributions:

#### Treatment and education

Funding for compulsive gambling disorder treatment and compulsive gambling disorder educational programs: at least \$200,000 annually from the Arkansas Racing Commission

#### Contribution to purses

For so long as a Franchise holder is operating a franchise to conduct horse racing, 14% of the net casino gaming receipts are set aside by the Franchise holder in a separate account and used only for purses for live horse racing by the Franchise holder.

For so long as a Franchise holder is operating a franchise to conduct greyhound racing, 14% of the net casino gaming receipts are set aside by the Franchise holder in a separate account and used only as follows:

- (1) 80% for purses for live greyhound racing by the Franchise holder; and
- (2) 20% for capital improvements to the Franchise holder's facility so long as any amount so apportioned for capital improvements is matched by the Franchise holder and used only for capital improvements to the Franchise holder's facility.

One percent of the net casino gaming receipts by the horse racing Franchise holder shall be paid by the Franchise holder to the Arkansas Racing Commission for deposit into the Arkansas Racing Commission Purse and Awards Fund to be used for purse supplements, breeders' awards, owners' awards, and stallion awards as provided in § 23-110-409 in order to promote and encourage thoroughbred horse breeding activities in Arkansas.

One percent of the net casino gaming receipts by the greyhound racing Franchise holder shall be paid by the Franchise holder to the Arkansas Racing Commission.

## Exemptions:

No sales or gross receipts tax shall apply to casino gaming receipts or net casino gaming receipts.

## History:

Amendment 100 was proposed by an initiated petition and was adopted at the 2018 general election. The amendment authorized casinos and casino gaming in Arkansas, imposed a tax on net casino gaming receipts, required contributions to purses, and required annual funding for compulsive gambling treatment.

Act 371 of 2019 required a casino applicant to submit a letter of support from the quorum court in the county and from the mayor, if the proposed casino was to be located in a city or town, and requires that the letter of support be dated and signed by the judge, quorum court, or mayor holding office at the time of the submission of the application. The act declared an emergency and was effective on and after March 8, 2019.

Act 682 of 2021 allowed the Arkansas Racing Commission to require certain employees of a franchise holder or casino licensee to obtain a license and submit to a background check.

Act 289 of 2023 required a service industry license for certain persons or entities related to casino gaming and required a background check for a service industry licensee employed by a franchise holder or a casino licensee.

## Revenues Generated:

### Casino Gaming Tax

Fiscal Year Ending June 30	Amount	%Change
2019	\$ 406,794	100.00
2020	\$ 26,125,335	(3.97)
2021	\$ 44,155,142	69.01
2022	\$ 45,834,989	3.80
2023	\$ 54,262,842	18.39
2024	\$ 59,076,178	8.87

### Casino Licensing Fees

Fiscal Year Ending June 30	Amount	%Change
2019	\$ 348,525	100.00
2020	\$ 606,690	74.07
2021	\$ 737,585	21.58
2022	\$ 419,520	(43.12)
2023	-0-	
2024	-0-	

## Distribution of Tax:

Net casino gaming receipts tax:

- (1) 55% to the Arkansas General Revenue Fund;
- (2) 17.5% to the to the Arkansas Racing Commission for deposit into the Arkansas Racing Commission Purse and Awards Fund to be used only for purses for live horse racing and greyhound racing by the Franchise holders to be apportioned as follows:
  - (A) Prior to January 1, 2024, 60% shall be distributed to the Franchise holder operating a franchise to conduct horse racing, and 40% shall be distributed to the Franchise

holder operating a franchise to conduct greyhound racing; and

- (B) For each calendar year thereafter, pro rata to the Franchise holders based upon the total respective amounts of each Franchise holder's pari-mutuel wagering handle during each respective immediately preceding calendar year from wagers placed on and off-track on the Franchise holder's live races (horse or greyhound) conducted at the Franchise holder's licensed premises;
- (3) 8% to the county in which the casino is located; and
- (4) 19.5% to the city or town in which the casino is located. If the casino is not located within a city or town, then the 19.5% shall go to the county in which the casino is located

Contributions to purses:

One percent (1%) of net casino gaming receipts from horse racing franchise holder deposited into Arkansas Racing Commission Purse and Awards Fund

One percent (1%) of net casino gaming receipts from greyhound racing franchise holder paid to the Arkansas Racing Commission

## Administered By:

Treasurer of State

## Cite:

The Arkansas Casino Gaming Amendment of 2018, Arkansas Constitution, Amendment 100

Arkansas Code (1987) 26-117-101 et seq.

# Chapter 8 - Regulatory Taxes and Fees

## Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 25,305	(30.88)
2014	\$ 14,055	(44.46)
2015	\$ 21,975	56.35
2016	\$ 17,965	(18.25)
2017	\$ 20,840	16.00
2018	\$ 16,625	(20.23)
2019	\$ 15,960	(4.00)
2020	\$ 14,655	(8.18)
2021	\$ 6,125	(58.21)
2022	\$ 21,085	244.25
2023	\$ 5,405	(74.37)
2024	\$ 11,120	105.74

## Distribution of Tax:

Special Revenues for credit to the Arkansas Abstracters' Board Fund

## Administered by:

Board of Appraisers, Abstracters, and Home Inspectors and Department of Labor and Licensing

## Cite:

Arkansas Code (1987) 17-11-302; 17-11-305; 17-11-321; 17-11-322; 19-6-415

## 8.1. ABSTRACTERS' 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 Board of Appraisers, Abstracters, and Home Inspectors. Fees collected by the board are deposited in the State Treasury.

### Rate and Base:

Certificate of Registration:

1. Examination Fee ..... \$25
2. Annual Fee..... set by Board
3. Temporary Certificate..... \$15

Certificate of Authority:

1. Application Fee..... \$25
2. Renewal Fee ..... set by Board

### Exemptions:

None

### History:

Act 175 of 1927, also known as "An Act Regulating the Business of Abstracting the Title to Land in Arkansas," 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 \$25.00 and an annual renewal fee of \$15.00 for each abstractor.

Act 109 of 1969 established the present fee.

Act 13 of 1997 changed the distribution of revenues from 10% to general revenues and 90% to special revenues to 100% special revenues.

Act 1042 of 2007 replaced the Abstracters' Board of Examiners with the Arkansas Abstracters' Board.

Act 910 of 2019 transferred the Arkansas Abstracters' Board to the Department of Labor and Licensing by a cabinet-level transfer.

Act 628 of 2023 abolished the Arkansas Abstracters' Board and all powers, duties, and functions were transferred to the State Board of Appraisers, Abstracters, and Home Inspectors.

## 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 (Expedited branch application) A.C.A. § 23-48-703 ..... \$ 300
2. New branch banking office (Standard branch application) A.C.A. § 23-48-703 ..... \$ 500
3. New branch banking office (Mobile branch application) A.C.A. § 23-48-703 ..... \$ 300
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 ..... \$5,000
8. Purchase or Assumption (less than fifty percent [50%] of assets or liabilities) ..... \$ 300
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 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

A filing fee of \$500 will be required to file an official protest for a new branch banking office application (standard branch application) (Arkansas Code Annotated § 23-48-703).

A filing fee of \$300 will be required to file an official protest for the following application:

1. Purchase or assumption, less than 50% of assets or liabilities;
2. New branch banking office application (expedited branch application) Arkansas Code Annotated § 23-48-703; and
3. New branch banking office application (mobile branch application) Arkansas Code Annotated § 23-48-703.

Trust Institution Fees:

1. Application for new Trust Company ..... \$8,000
2. Official protest of application ..... \$2,000
3. Private Trust Company application ..... \$4,000
4. Private Trust Company Annual Certificate ..... \$ 200
5. Acquisition of Control of Trust Company ..... \$1,500
6. Charter Amendments ..... \$ 200
7. Application for merger ..... \$2,500
8. Registration of corporate name ..... \$ 25
9. Additional trust office ..... \$ 300
10. Out-of-state office ..... \$ 300
11. Registration of out-of-state Trust Company ..... \$ 300

Trust Assessments and Examination Fees:

A base assessment fee of one thousand two hundred fifty dollars (\$1,250) will be billed to each state-chartered trust company on a semi-annual basis. In addition, an assessment of three hundred sixty dollars (\$360) per examiner per day or partial day of examination times the number of examination days will be billed immediately following the examination.

### Assessment Rate

Fixed Fee: one thousand two hundred dollars (\$1,200)

1. Plus: 34.5¢ per \$1,000 of the first \$10,000,000 of assets; (\$10,000,000 X .000345)
2. Plus: 23¢ 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: 8.625¢ per \$1,000 of the next \$200,000,000 (200,000,000 x .00008625)
5. Plus: 10¢ per \$1,000 of the next \$250,000,000 (250,000,000 x .00010)
6. Plus: 7.5¢ per \$1,000 of the next \$1,500,000,000 (1,500,000,000 x .000075)
7. Plus: 4.5¢ per \$1,000 of assets greater than \$2,000,000,000

### Exemptions:

None

### History:

Act 113 of 1913 created the State Bank Department with power to execute all laws relating to banks although there were fees and

assessments levied against State chartered banks prior to 1913. 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 \$15.00 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. One seventy-fifths of one percent of the total assets up to the first \$2,000,000
  - b. One hundredths of one percent on the next \$1,000,000
  - c. One two-hundredths of one percent on the next \$1,000,000
  - d. One five-hundredths of one percent 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, also known as “The Arkansas Bank Code of 1997,” made various changes concerning the levy of certain bank fees and the rates.

Act 475 of 2023 transferred the administrative functions of the State Securities Department to the State Bank Department.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 8,484,906	3.55
2014	\$ 8,646,255	1.90
2015	\$ 8,429,503	(2.51)
2016	\$ 8,824,956	4.69
2017	\$ 10,612,811	20.26
2018	\$ 11,881,972	11.96
2019	\$ 12,881,723	8.41
2020	\$ 13,522,677	4.98
2021	\$ 12,730,405	(5.86)
2022	\$ 12,058,983	(5.27)
2023	\$ 14,450,126	19.83
2024	\$ 15,790,188	9.27

**Distribution of Tax:**

Special Revenues for credit to the State Bank Department Building Fund

**Administered by:**

State Bank Department

**Cite:**

Arkansas Code (1987) 23-36-107; 23-45-101; 23-46-209; 23-46-404; 23-46-509; 23-51-181



### 8.3. BOILER INSPECTION FEES AND LICENSES

The Division 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 – \$100 for each boiler, plus expenses of inspector from Little Rock to the place of inspection and return.
3. Certificate of Competency and Commission – \$25 for new, transferred, or re-commissions and an annual renewal fee of \$15.
4. Annual inspection of each boiler by the Boiler Inspection Division, as follows:
  - Boilers up to & include 15 hp..... \$10
  - Boilers over 15 hp to 50 hp, incl. .... \$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 per day, four hundred forty dollars (\$440); per half (1/2) day, two hundred twenty dollars (\$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. Fees for permits for installation of any boiler:
  - 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

6. Annual license for the sale or installation of boilers, unfired pressure vessels, hot water storage containers, or pressure piping – seventy-five dollars (\$75).  
Annual license for the repair of boilers and/or unfired pressure vessels – seventy-five dollars (\$70).
7. Boiler Operator License:
  - Examination and first license ..... \$25
  - License and renewal-annual ..... \$17

**Exemptions:**

1. Inspection and installation permit requirements on storage vessels located in service stations and garages.
2. Air tanks of 12 gallons or less containing 150 or less.
3. Boilers and unfired pressure vessels which are under inspection regulations of the United States Surface Transportation Board.
4. Boilers and unfired pressure vessels used for domestic purposes in private residence and apartment houses of eight or less apartments.
5. Unfired pressure vessels, other than air tanks where the working pressure is 15 pounds per square inch or less or a volume of five cubic feet or less, coil-type steam generators without accumulative drum, or vessels used in connection with or the storage of liquefied petroleum gases. However, but all such unfired pressure vessels shall be constructed in compliance with the appropriate regulations applicable thereto.
6. Hot water heaters under 200,000 British thermal units per hour except those heaters located in hospitals, schools, day care centers, and nursing homes.
7. Hot water supply storage tanks which are heated by steam or any other direct or indirect means when heat input is less than 200,000 British thermal units per hour ( Btu/hr.), when water temperature is less than 210° Fahrenheit, and when the vessel has nominal water-containing capacity of less than 120 gallons.
8. Pressure vessels which are an integral part of:
  - a. Components of rotating or reciprocating mechanical devices and hydraulic or pneumatic cylinders where the primary design considerations and stress are derived from the functional requirements of the device.
  - b. The structure and have a primary function of transporting fluids from one location to another within the system.
9. Vessels with a nominal water-containing capacity of 120 gallons or less for containing water under pressure, including those containing air, the compression of which serves only as a cushion.

Does 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:**

Act 428 of 1917 began the inspection of steam boilers by April 1, 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 one boiler in a plant; where there were two or more boilers in a plant – \$7.50 for the first, 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
3. Annual Renewal fee ..... \$2
4. Duplicate Commission ..... \$2
5. Annual inspection each boiler as follows:
  - a. Boilers of 5 hp and less ..... \$3
  - b. Boilers over 5hp to 15 hp ..... \$15  
(cover 25 hp)
  - c. Boilers over 25 hp..... \$8
  - d. Special inspection ..... \$12  
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  
all other boilers. .... \$2
2. Certificate of Competency and Commission as Inspector of Steam Boilers ..... \$10
3. Annual renewal fee ..... \$5
4. Duplicate Commission ..... \$5
5. Annual inspection fee as follows:
  - a. Boilers of 5 hp and less..... \$3
  - b. Boilers over 5 to 15 hp, incl..... \$5
  - c. Boilers over 15 to 50 hp, incl..... \$8
  - d. Boilers over 50 to 100 hp, incl..... \$10
  - e. Boilers over 100 to 150 hp, incl..... \$12
  - f. Boilers over 150 to 250 hp, incl..... \$15
  - g. Boilers over 250 to 500 hp, incl..... \$20

- h. Boilers over 500 hp ..... \$35
6. Shop inspection a day..... \$35  
½ day..... \$20

Unfired Pressure Vessels:

- 150 gal. capacity or less ..... \$4
- 151 - 500 gal. capacity ..... \$5
- 500 - 1,000 gal. capacity ..... \$6
- 1,000 - 2,000 gal. capacity ..... \$7
- 2,000 - 3,000 gal. capacity ..... \$8
- 3,000 - 6,000 gal. capacity ..... \$9
- 6,000 - 30,000 gal. capacity ..... \$10

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
  - b. Boilers over 50 to 100 hp, incl. .... \$10
  - c. Boilers over 100 to 200 hp, incl. .... \$15
  - d. Boilers over 200 to 500 hp, incl. .... \$25
  - e. Boilers over 500 hp ..... \$50
  - f. unfired pressure vessels including hot water storage containers:
    - i. 1,000 gal. capacity or less ..... \$5
    - ii. 1,000 - 5,000 gal. capacity ..... \$10
    - iii. Over 5,000 gal. capacity ..... \$20
9. Annual license fee for persons engaged in the sale and/or installation of boilers, unfired pressure vessels, or hot water storage containers..... \$25
10. Annual license fee for persons engaged in the repair of boilers and/or unfired pressure vessels..... \$25
11. Boiler operator’s license initial fee ..... \$ 5  
and renewal fee ..... \$ 2
12. Special inspection of insured boilers ..... \$37  
plus expenses of inspector.

Act 65 of the First (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  
for all other boilers ..... \$3.50
3. Certificate of Competency and Commission as Inspector of Steam Boilers ..... \$15
4. Annual renewal fee ..... \$10
5. Duplicate Commission ..... \$10
6. Renewal of lapsed commission ..... \$10
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
- ½ day..... \$35
- 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
- 10. Annual license fee for persons engaged in the repair of boilers and/or unfired pressure vessels ..... \$30
- 11. Boiler operator's license initial fee ..... \$ 5
- renewal fee ..... \$ 3

Act 162 of 1975 increased the fees as follows:

- 1. Special inspection fee ..... \$44.50
- plus expenses of inspector.
- 2. Certificate of inspection ..... \$ 9
- for an unfired pressure vessel.
- 3. Certificate of Competency and Commission as Inspector of Steam Boiler ..... \$25
- 4. Annual renewal fee ..... \$10
- 5. Duplicate commission ..... \$10
- 6. Renewal of lapsed commission ..... \$10
- 7. Annual inspection fees as follows:
  - a. Boilers up to & incl. 15 hp..... \$ 6
  - b. Boilers over 5 - 50 hp, incl. .... \$ 9
  - c. Boilers over 50 - 100 hp, incl. .... \$12
  - d. Boilers over 100 - 150 hp, incl. .... \$14
  - e. Boilers over 150 - 250 hp, incl. .... \$17
  - f. Boilers over 250 - 500 hp, incl. .... \$25
  - g. Boilers over 500 hp..... \$40

Shop inspections \$85 per day; \$50 per one-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
- 151 gal. to 500 gal. .... \$6
- 501 gal. to 1,000 gal. .... \$7
- 1,001 gal. to 2,000 gal..... \$8
- 2,001 gal. to 3,000 gal..... \$9
- 3,001 gal. to 5,000 gal..... \$10
- 5,001 gal. to 6,000 gal..... \$11
- 6,001 gal. and over..... \$12

8. Installation fees, as follow:

- Boilers up to & incl. 25 hp..... \$5
- Boilers over 25 - 50 hp, include..... \$10

- Boilers over 50 - 100 hp, incl..... \$15
- Boilers over 100 - 200 hp, incl. .... \$20
- Boilers over 200 - 300 hp, incl. .... \$30
- Boilers over 300 - 400 hp, incl. .... \$40
- Boilers over 400 - 500 hp, incl. .... \$50

Unfired vessels, including hot water storage containers:

- 500 gal. capacity or less ..... \$5
- 501 to 1,000 gal. .... \$10
- 1,000 to 5,000 gal. .... \$20
- 5,001 gal. and over ..... \$30

- 9. Annual license fee for persons engaged in the sale and/or installation of boilers, unfired pressure vessels, or hot water storage containers..... \$40
- 10. Annual license fee for person engaged in the repair of boilers and/or unfired pressure vessels ..... \$40
- 11. Boiler operator's license initial fee ..... \$7
- and renewal fee ..... \$5

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
- Boilers over 15 hp to 50 hp, incl..... \$9
- Boilers over 50 hp to 100 hp, incl..... \$12
- Boilers over 100 hp to 150 hp, incl..... \$14
- Boilers over 150 hp to 250 hp, incl..... \$17
- Boilers over 250 hp to 500 hp, incl..... \$25
- Boilers over 500 hp..... \$40

Shop inspections \$110 per day; \$65 per one-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
- 151 - 500 gal..... \$6
- 501 - 1,000 gal..... \$7
- 1,001 - 2,000 gal..... \$8
- 2,001 - 3,000 gal..... \$9
- 3,001 - 5,000 gal..... \$10
- 5,001 - 6,000 gal..... \$11
- 6,001 gal. and over ..... \$12

Act 526 of 1979 amended Act 404 of 1977 and increased various Boiler Inspection Fees as follows:

- 1. Special Inspection fee ..... \$50
- plus expenses of inspector.
- 2. Certificate of Inspection
- for an unfired pressure vessel ..... \$10
- for all other boilers. .... \$5

3. Inspection Fees – there shall be paid for the annual inspection of each boiler by the Boiler Inspection Division within thirty (30) days from the date of inspection the sum as follows:

Boilers up to 15 hp, incl.....	\$8
Boilers over 15 hp - 50 hp, incl.....	\$11
Boilers over 50 hp - 100 hp, incl.....	\$15
Boilers over 100 hp - 150 hp, incl.....	\$17
Boilers over 150 hp - 250 hp, incl.....	\$20
Boilers over 250 hp - 500 hp, incl.....	\$30
Boilers over 500 hp.....	\$45

Shop inspections – one hundred twenty-five dollars (\$125) per day; seventy-five dollars (\$75.00) per one-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
151 - 500 gal. ....	\$8
501 - 1,000 gal. ....	\$9
1,001 - 2,000 gal. ....	\$10
2,001 - 3,000 gal. ....	\$11
3,001 - 5,000 gal. ....	\$12
5,001 gal. and over.....	\$15

4. Special inspection fee - \$50 plus expenses of inspector.
5. 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
Boilers over 25 hp to 50 hp, incl. ....	\$15
Boilers over 50 hp to 100 hp, incl. ....	\$20
Boilers over 100 hp to 200 hp, incl. ....	\$25
Boilers over 200 hp to 300 hp, incl. ....	\$40
Boilers over 300 hp to 400 hp, incl. ....	\$50
Boilers over 400 hp to 500 hp, incl. ....	\$60
Boilers over 500 hp .....	\$80

**Unfired Pressure Vessels including hot water storage containers:**

500 gal. capacity or less .....	\$10
501 - 1,000 gal. capacity .....	\$15
1,001 - 5,000 gal. capacity .....	\$30
5,001 gal. capacity and over.....	\$40

6. Annual license fee for persons engaged in the sale and/or installation of boilers, unfired pressure vessels or hot water storage containers..... \$50
7. Annual license fee for persons engaged in the repair of boilers and/or unfired pressure vessels .....
8. Boiler operator’s license initial fee..... \$10  
renewal fee..... \$ 7

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 provided for a permit fee of \$100 for the installation of pressure piping.

Act 910 of 2019 renamed the Department of Labor as the Department of Labor and Licensing and renamed the fund accordingly.

**Revenues Generated:**

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 825,589	1.20
2014	\$ 877,011	6.23
2015	\$ 821,134	(6.37)
2016	\$ 878,879	7.03
2017	\$ 784,106	(10.78)
2018	\$ 838,542	6.94
2019	\$ 774,860	(7.59)
2020	\$ 711,089	(8.23)
2021	\$ 713,308	0.31
2022	\$ 741,187	3.91
2023	\$ 780,526	5.31
2024	\$ 645,339	(17.32)

**Distribution of Tax:**

Special Revenues for credit to the Department of Labor and Licensing Special Fund

**Administered by:**

Department of Labor and Licensing

**Cite:**

Arkansas Code (1987) 20-23-102; 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 \$500,000 shall pay \$300. Each such company having an outstanding capital stock of \$500,000 or more, shall pay four \$400.
2. Each legal reserve mutual insurance corporation having assets of less than \$100,000,000 shall pay \$300. Each such corporation having assets of \$100,000,000 or more, shall pay \$400)
3. Each mutual assessment insurance corporation shall pay \$300.
4. Each mortgage loan corporation, an amount equivalent to 0.3% of that proportion of the par value of its outstanding capital stock that its aggregate outstanding loans made in Arkansas bears to the total aggregate outstanding loans made in all states. No such corporation shall pay an annual tax of less than \$300.
5. Each corporation, other than those in subdivisions 2 – 4 of this section, without authorized capital stock shall pay \$300.
6. Each corporation, other than those in subdivisions 1 – 5 of this section, shall pay an amount equivalent to 0.3% of that proportion of the par value of its outstanding capital stock that the value of real and personal property in 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 \$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 subdivision 6 of this section, or an amount equivalent to 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 \$150.
8. An organization formed pursuant to the Small Business Entity Tax Pass Through Act shall pay the minimum franchise tax.
9. The Secretary of State shall collect the following processing fees for documents delivered by electronic means:
  - a. Four dollars (\$4.00) when the filing fee is fifty dollars (\$50.00) or less;
  - b. Five dollars (\$5.00) when the filing fee is between fifty-one dollars (\$51.00) and one hundred sixty-seven dollars (\$167); and
  - c. Three percent (3%) of the total amount of the filing fee if the filing fee is more than one hundred sixty-seven dollars (\$167).

### Exemptions:

Any newly formed corporation shall not be required to file a franchise tax report until the calendar year immediately following the calendar year of incorporation.

### History:

Act 443 of 1907 imposed the first corporation franchise tax as follows:

1. Capital stock of not over \$25,000 ..... \$ 10
2. Capital stock between \$25,000 and \$100,000..... \$ 25
3. Capital stock between \$100,000 and \$500,000..... \$ 50
4. Capital stock of more than \$500,000 ..... \$100

Act 260 of 1909 increased the franchise tax to the following rates: every corporation having an authorized capital stock of not over \$25,000, \$10.00; every such corporation having an authorized capital stock of more than \$25,000 and not over \$100,000, \$25.00; every such corporation having an authorized capital stock of more than \$100,000 and not over \$500,000, \$50; every such corporation having an authorized capital stock of more than \$500,000 and not over \$1,000,000, \$100; every such corporation having an authorized capital stock of more than \$1,000,000, \$200. Provided, that any corporation, either domestic or foreign, having no capital stock, shall pay an annual fee of \$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 \$20.00 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 1/20 of one percent to one-fifteenth 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 \$100 and all other such insurance companies having a capital of \$500,000 or more, an annual tax of \$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 \$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 \$13,333 employed in this State, shall pay an annual tax of \$10.

Act 85 of 1917 amended Act 112 of 1911 and Act 122 of 1913 as follows:

1. A tax of 0.1% 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 \$10,000 or less employed in this State shall pay an annual tax of \$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 \$100,000,000, or more, shall pay a tax of \$200 and that such legal reserve mutual insurance corporation having assets of less than \$100,000,000 shall pay a tax of \$100, and provided further, that mutual assessment insurance corporations shall pay a tax of \$50.00. 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 \$100 and all such insurance companies having a capital stock of \$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 raised the tax on the capital stock on corporations with capital stock of \$10,000 or less to \$11.

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 \$500,000, \$100; and each such company having an outstanding capital stock of \$500,000 or more, \$200;
- b. Each legal reserve mutual insurance corporation having assets of less than \$100,000,000, \$100; and for each such corporation having assets of \$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 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 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 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. 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 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 \$11.

Act 889 of 1979, also known as "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 \$500,000 shall pay \$100. Each such company having an outstanding capital stock of \$500,000 or more, shall pay \$200;
2. Each legal reserve mutual insurance corporation having assets of less than \$100,000,000 shall pay \$100. Each such corporation having assets of \$100,000,000 or more, shall pay \$200;
3. Each mutual assessment insurance corporation shall pay \$50;
4. Each mortgage loan corporation, an amount equivalent to 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 \$11;
5. Each corporation, other than those in subdivisions (b), (c) and (d) of this section, without authorized capital stock:
  - a. with assets of \$10,000 or less, shall pay \$25;
  - b. with assets of more than \$10,000 but less than \$50,000, shall pay \$50; and
  - c. with assets of more than \$50,000, shall pay \$100;
6. Each corporation, other than those in subdivisions (a) through (e) of this section, an amount equivalent to 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 \$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 subdivision (f) of this section, or an amount equivalent to 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 \$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 First (1st) Ex. Sess. 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–\$100. Each other corporation, including those in the process of liquidation, increased from 0.11% – 0.27% of 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–\$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 changed the date for filing franchise tax reports and payments to June 1 and eliminated initial franchise tax filing and the extension of time for filing. Provided that the Secretary of State shall revoke charters for failure to pay franchise tax.

Act 1285 of 1993 levied a franchise tax of \$3 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 required 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 and provided that newly formed corporations shall not be required to file a tax report until the year following incorporation.

Act 479 of 1997 provided 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 provided 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 times the corporation's tax owed.

Act 94 of the Second (2nd) Ex. Sess. of 2003 increased the corporate franchise annual tax rate to 0.3% and the minimum tax amount due to \$150, as in effect on and after January 1, 2004. The maximum tax cap of \$1,075,000 was repealed. Act 94 also repealed 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 amended the deadline for the Secretary of State to proclaim corporate charter forfeitures to January 31 of each year.

Act 1093 of 2013 changed the deadline for corporate franchise tax filing and remittance to May 1.

Act 458 of 2017 changed the deadline for filing a franchise report.

Act 819 of 2019 transferred the administration of the franchise tax to the Department of Finance and Administration and eliminated the franchise tax penalty on closed businesses effective May 1, 2021.

Act 523 of 2021 returned the administration and collection of the franchise tax to the Secretary of State.

Act 459 of 2023 prescribed processing fees for electronically submitted tax documents.

**Revenues Generated:**

**General Revenues**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 8,000,000	0.0
2014	\$ 8,000,000	0.0
2015	\$ 8,000,000	0.0
2016	\$ 8,000,000	0.0
2017	\$ 8,000,000	0.0
2018	\$ 8,000,000	0.0
2019	\$ 8,000,000	0.0
2020	\$ 8,000,000	0.0
2021	\$ 8,000,000	0.0
2022	\$ 8,000,000	0.0
2023	\$ 8,000,000	0.0
2024	\$ 8,000,000	0.0

**Special Revenues: Educational Adequacy**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 17,474,801	18.06
2014	\$ 17,924,303	2.57
2015	\$ 17,110,983	(4.54)
2016	\$ 16,531,504	(3.39)
2017	\$ 17,800,694	7.68
2018	\$ 19,336,206	8.63
2019	\$ 19,617,266	1.45
2020	\$ 16,800,783	(14.36)
2021	\$ 21,158,773	25.94
2022	\$ 31,102,821	47.00
2023	\$ 28,398,095	(8.70)
2024	\$ 28,005,793	(1.38)

**Distribution of Tax:**

Within each fiscal year, the first \$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; 26-54-105; 26-54-113

**8.5. COSMETOLOGY FEES**

The Department of Health collects all authorized fees and deposits them in the State Treasury.

**Rate and Base:**

Cosmetology, Manicure, Aesthetics, Electrology Fees:

1. Enrollment into a Cosmetology School..... \$ 20.00  
per enrollment
2. Practical Examination ..... \$ 65.00
3. Written Examination ..... \$ 60.00
4. Renewal for a Practitioner..... \$ 50.00  
biennially
5. Reciprocity for a Practitioner ..... \$ 50.00  
one-time fee
6. New Establishment..... \$ 100.00  
one-time fee
7. Relocated Establishment..... \$ 50.00  
one-time fee
8. Renewal of an Establishment ..... \$ 50.00  
annually
9. New School ..... \$1,000.00  
one-time fee
10. Renewal of a School..... \$ 250.00  
annually
11. Change or name and/or ownership of a School.... \$ 100.00
12. Name and/or ownership change of an Establishment  
for each..... \$ 25.00
13. Duplicate license ..... \$ 10+.00  
per license
14. Certification of Department Records ..... \$ 10.00  
per license
15. Reinstatement fee - Practitioner license ... 50% of proposed  
renewal fee
16. Reinstatement fee - Salon license..... 50% of proposed  
renewal fee
17. Reinstatement fee - School license..... 50% of proposed  
renewal fee
18. Lifetime license..... \$ 50.00  
one-time fee
19. Hot check fee ..... \$ 25.00  
service charge  
plus applicable bank fees for each returned check

**Registered Hair Stylists:**

1. Registration fee..... \$10.00

**Natural Hair Braiding:**

1. Registration fee ..... \$30.00  
biennially



**Exemptions:**

1. All persons authorized by the laws of this State to practice medicine, surgery, dentistry, pharmacy, osteopathy, chiropractic, naturopathy, or podiatry.
2. Barbers, insofar as their usual and ordinary vocation and profession is concerned.
3. 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.
4. 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.
5. Direct care staff as defined in § 20-10-1401 who provide routine personal hygiene and related daily care services to residents of nursing facilities as defined in § 20-10-1401 and for which the fee is included in the monthly facility charges.
6. Relatives of residents of nursing facilities are defined in § 20-10-1401 who provide cosmetological services to a related resident of a nursing facility.
7. An individual who only cleanses the hair of a person for compensation.

An individual may engage in natural hair braiding and operate an establishment where only natural hair braiding is practiced without obtaining natural hair braiding certification.

**History:**

**COSMETOLOGIST OR MANICURIST**

Year	Act	Exam	License
1925	158	\$10.00	\$ 5.00
1939	168		\$ 2.50
1943	30		\$10.00 (temp.)
1947	339		\$2.50-\$5.00
1955	358	\$10.00-\$15.00	\$2.50-\$5.00
1961	490	\$15.00	\$ 2.50
1969	400	\$15.00	\$ 5.00
1975	644	\$20.00	\$ 8.00
1985	188	\$30.00	\$12.00

**INSTRUCTOR**

Year	Act	Exam	License
1925	158	\$10.00	\$ 5.00
1939	168		\$ 2.50
1955	358	\$15.00-\$25.00	\$2.50-\$5.00
	Electrology	\$25.00-\$40.00	
1961	490	\$25.00	\$ 5.00
1969	400	\$25.00	\$ 5.00
	Electrology	\$25.00	\$ 5.00
1975	644	\$30.00	\$10.00
	Electrology	\$30.00	\$10.00
1985	188	\$30.00	\$12.00

**RECIPROCITY**

Year	Act	Registration Fee
1943	30	\$15.00
1947	339	Board
1955	358	\$25.00-\$40.00
1961	490	\$25.00
1969	400	\$25.00
1975	644	\$38.00
1985	188	\$38.00 + annual fee

**COSMETOLOGY ESTABLISHMENT**

Year	Act	License Fee
1947	339	\$ 5.00
1955	358	\$5.00-\$10.00
1961	490	\$ 5.00
1969	400	\$10.00-\$25.00
1975	644	\$15.00-\$40.00
1985	188	\$20.00

**COSMETOLOGY SCHOOL**

Year	Act	New	Renewal
1925	58	\$ 50.00	\$ 50.00
1947	339	\$100.00	\$100.00
1955	358	\$25.00-\$40.00	\$25.00-\$40.00
1961	490	\$100.00	\$100.00
1969	400	\$500.00	\$100.00
1975	644	\$500.00	\$100.00
			+ \$5,000

**DEMONSTRATOR**

Year	Act	Annual Fee
1969	400	\$15.00
1975	644	\$15.00

**STUDENT REGISTRATION**

Year	Act	Fee
1925	158	\$ 1.00
1947	339	-0-
1975	644	\$ 5.00
1985	188	\$10.00

**REINSTATEMENT**

Year	Act	Fee
1955	358	\$ 5.00-20.00
1961	490	\$5.00
1969	400	\$10.00/yr. not renewed (lapse in five (5) years)
1975	644	\$16.00/yr. not renewed \$20.00/yr. not renewed for Instructor & Electrology 5 year lapse. 40 hours added training every two (2) years required.
1985	188	50% of renewal fee each year license not renewed.

**ELECTROLOGIST**

Year	Act	Exam	License
1955	358	\$20.00-\$35.00	
1961	490	\$25.00	
1965	403	\$ 5.00	
1969	400	\$25.00	\$ 5.00
1975	644	\$30.00	\$ 8.00
1985	188	\$30.00	\$12.00

Act 4 of 2009 abolished the State Board of Cosmetology and transferred its authority and duties to the State Board of Health and the Department of Health.

Act 409 of 2015 created the Natural Hair Braiding Protection Act.

Act 957 of 2021 created an exemption for individuals who only cleanse the hair of any person for compensation.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 1,398,057	(15.47)
2014	\$ 1,216,548	(12.98)
2015	\$ 1,328,583	9.21
2016	\$ 1,222,171	(8.01)
2017	\$ 1,298,747	6.26
2018	\$ 1,172,192	(9.74)
2019	\$ 1,203,768	2.69
2020	\$ 1,157,366	(3.85)
2021	\$ 1,136,540	(1.80)
2022	\$ 825,680	(27.35)
2023	\$ 1,006,939	21.95
2024	\$ 477,325	(52.60)

**Distribution of Tax:**

Special revenues for credit to the Public Health Fund.

**Administered by:**

Department of Health and the State Board of Health

**Cite:**

Arkansas Code (1987) 17-26-103; 17-26-209; 17-26-210; 17-26-324; 17-26-504; 17-26-505; 17-26-402; 17-26-404

**8.6. ELECTRICAL EXAMINERS BOARD FEES**

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 .....\$50
  - b. Journeyman Electrician .....\$25
  - c. Industrial Maint. Electrician.....\$25
  - d. Residential Master Electrician .....\$50
  - e. Residential Journeyman Electrician .....\$25
  - f. Air Conditioning Electrician .....\$25
  - g. Specialist Sign Electrician.....\$25
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. Specialist Sign Electrician.....\$ 25
  - h. Registration for Electrician Apprentice.....\$ 10  
/annually
  - i. Electrical Contractor .....\$100  
/year
  - j. Electrical Inspector.....\$ 50  
/year,  
exempt from renewal fee if licensed  
as a master or journeyman electrician.
3. Penalty for failure to renew license within 36 months after renewal date:
  - a. Master Electrician – \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.
  - b. Journeyman Electrician – \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.
  - c. Residential Journeyman – \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.
  - d. Industrial Maint. Electrician – \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.
  - e. Air Conditioning Electrician – \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.

4. Penalty for failure to renew license beyond 36 months after renewal date:
  - a. Master Electrician – Additional penalty of \$1,000 plus \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.
  - b. Journeyman Electrician – Additional penalty of \$1,000 plus \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.
  - c. Residential Journeyman – Additional penalty of \$1,000 plus \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.
  - d. Industrial Maint. Electrician – Additional penalty of \$1,000 plus \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.
  - e. Air Conditioning Electrician – Additional penalty of \$1,000 plus \$10 per calendar month between expiration and renewal plus regular renewal fee and any civil penalty.

**Exemptions:**

1. The construction, installation, maintenance, repair, or renovation by a public utility, as that term is defined by § 23-1-101(9)(A), by any rural electric association or cooperative, or by any municipally owned utility, of any transmission or distribution lines or facilities incidental to their business and covered under other nationally recognized safety standards or to any other such activity when performed by any duly authorized employee, agent, contractor, or subcontractor of any such public utility, association, cooperative, or municipally owned utility.
2. The construction, installation, maintenance, repair, or renovation by any manufacturing, process and refining facilities, warehouses, distribution facilities, repair and maintenance facilities, agricultural facilities, and corporate and management offices located on the industrial sites of any electric conductors or equipment or facilities incidental to their business and covered under other nationally recognized safety standards or to any other such activity when performed by any duly authorized employee of any such industry.
3. The construction, installation, maintenance, repair, or renovation of telephone equipment, computer systems, or satellite systems by a person, firm, or corporation engaged in the telecommunication or information systems industry when such activities involve low-voltage work exclusively for communication of data, voice, or other signaling purposes, including fire alarm systems, security systems, and environmental control systems that are no an integral part of a telecommunications system.
4. The construction, installation, maintenance, repair, or renovation of any nonresidential farm building or structure;
5. The construction and manufacture of manufactured homes covered by the Manufactured Home Construction and Safety Standards Act, 42 U.S.C. § 5401 et seq.; and
6. Individuals doing electrical work on his or her primary residence except as otherwise required by state law, rules, regulations, or local ordinances.

7. Any holder of a state-issued heating, ventilation, air conditioning, and refrigeration, or HVACR, license may run line voltage power wiring in compliance with the state electric code from a disconnect box to an outdoor HVACR unit within a distance not to exceed ten feet (10') from any point of the HVACR equipment.

8. Any person licensed by the Commission on Water Well Construction pursuant to the provisions of the Arkansas Water Well Construction Act, § 17-50-101 et seq., and subject to that commission's rules and to the National Electrical Code may run power and control wiring from an existing disconnect box to water well equipment.

9. An employee of a hospital performing minor repairs or making minor alterations to existing electrical facilities during the normal performance of his or her duties with a hospital licensed by the Department of Health.

**History:**

Act 870 of 1979 created the Electrical Examining Board 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 provided for examination and licensing fees for residential master and journeyman electricians and for air conditioning electricians.

Act 1230 of 2005 allowed Department of Labor to impose civil penalty against a person for violations of laws or rules governing electricians and allowed appeals to the Board of Electrical Examiners.

Act 1188 of 2009 added fees for specialist sign electrician.

Act 756 of 2013 provided for the licensure of electrical inspectors.

Act 910 of 2019 transferred the Board of Electrical Examiners of the State of Arkansas to the Department of Labor and Licensing by a cabinet-level transfer, changed the name of the Department of Labor to the Department of Labor and Licensing, and changed the name of the Department of Labor Special Fund to the Department of Labor and Licensing Special Fund.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 320,138	(39.82)
2014	\$ 507,329	58.47
2015	\$ 518,021	2.11
2016	\$ 344,475	(33.50)
2017	\$ 475,676	38.09
2018	\$ 562,338	18.22
2019	\$ 405,296	(27.93)
2020	\$ 478,041	17.95
2021	\$ 515,055	7.74
2022	\$ 444,679	(13.66)
2023	\$ 595,185	33.85
2024	\$ 733,806	23.29

**Distribution of Tax:**

Special revenues for credit to the Department of Labor and Licensing Special Fund.

**Administered by:**

Board of Electrical Examiners and Department of Labor and Licensing

**Cite:**

Arkansas Code (1987) 17-28-102; 17-28-203; 17-28-301; 17-28-302; 17-55-103; 17-28-308

**8.7. EMPLOYMENT AGENCY LICENSE FEES**

No person shall engage in the business of or act as an employment agency, agency manager, or counselor unless he or she obtains a license from the Division of Labor. The Director of the Division of Labor 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 90 days – \$100; agency manager or employment counselors for no more than 90 days – \$10.
2. Permanent license fees:
  - a. Employment agency - annual fee of \$250
  - b. Employment agency manager - annual fee of \$25
  - c. Employment Counselor - annual fee \$20
  - d. Each change of office location – \$10
  - e. Examination Fee – \$5

**History:**

Act 4 of the First (1st) Ex. Sess. of 1923 enacted the first Act regulating employment agencies and levied a license fee of two hundred dollars (\$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, also known as the “Arkansas Private Employment Agency Act of 1975,” set the license fees that are presently in force as shown under “Rate and Base” above.

Act 910 of 2019 renamed the Department of Labor as the Department of Labor and Licensing and assigned authority over employment agencies to the Division of Labor.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 29,320	138.08
2014	\$ 27,245	(7.08)
2015	\$ 30,885	13.36
2016	\$ 49,085	58.93
2017	\$ 8,960	(81.75)
2018	\$ 12,780	42.63
2019	\$ 6,805	(46.75)
2020	\$ 75	(98.90)
2021	\$ 2,110	2713.33
2022	\$ 4,885	131.52
2023	\$ 8,430	72.57
2024	\$ 1,765	(79.06)

**Distribution of Tax:**

General Revenues

**Administered by:**

Department of Labor and Licensing

**Cite:**

Arkansas Code (1987) 11-11-215; 11-11-216; 11-11-217; 11-11-218

**8.8. ENVIRONMENTAL ASSURANCE FEE**

The fee is levied on each gallon of motor fuel or distillate special fuel purchased in or 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:**

0.3¢ per gallon

**Exemptions:**

Exchanges of fuel on a gallon-for-gallon basis within a terminal or fuels exported from this State.

**History:**

Act 173 of 1989 established the environmental assurance fee at 0.2¢ per gallon of motor fuel or distillate special fuel imported into the State. The fee is collected until the Fund reaches \$10,000,000, then it is reduced to a rate determined by the Board.

Act 65 of the Third (3rd) Ex. Sess. of 1989 increased to \$15,000,000 the amount of money to be maintained in the Trust Fund.

Act 1054 of 1995 provided 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, regardless of the amount of money in the Fund.

Act 670 of 2005 increased the petroleum environmental assurance fee to of 0.3¢ and increased the maximum interim payment limitations.

Act 560 of 2021 increased the minimum balance from \$15,000,000 to \$30,000,000 that must be in the Petroleum Storage Tank Trust Fund that would require a reduction in the petroleum environmental assurance fee.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 7,409,724	2.57
2014	\$ 7,256,883	(2.06)
2015	\$ 7,286,892	0.41
2016	\$ 7,503,670	2.97
2017	\$ 7,560,748	0.76
2018	\$ 7,554,659	(0.08)
2019	\$ 7,624,111	0.92
2020	\$ 7,377,109	(3.24)
2021	\$ 7,429,377	0.71
2022	\$ 7,819,346	5.25
2023	\$ 7,851,727	0.41
2024	\$ 7,917,317	0.84

**Distribution of Tax:**

Special revenues credited to the Petroleum Storage Tank Trust Fund

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 8-7-906

**8.9. FEED INSPECTION AND EXEMPTION PERMIT FEES**

Each manufacturer or distributor of commercial feeds transported into this State pays to the State Plant Board an inspection fee, and any integrated operator 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 ..... \$0.30 per ton
- 2. Inspection Fee (25 tons or less)..... min. of \$10.00 per quarterly report
- 3. Exemption Fee (integrated operator)..... \$10
- 4. License Fee..... \$10 /facility
- 5. Late Fee ..... 15% or \$25, whichever is greater plus Inspection Fee
- 6. Late License Fee ..... \$30

**Exemptions:**

Fee Exemptions:

- 1. A commercial feed if the payment has been made by a previous distributor.
- 2. Customer-formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients therein.
- 3. Commercial feeds that are used as ingredients for the manufacture of commercial feeds. If the fee has already been paid, credit shall be given for such payment.

Licensing Exemptions:

Any person who makes only retail sales of commercial feed which bears labeling or other approved indication that the commercial feed is from a licensed manufacturer, guarantor, or distributor who has assumed full responsibility for the tonnage inspection fee due.

A grower’s production of unmanipulated poultry litter.

**History:**

Act 161 of 1911 imposed a fee of 25¢ per ton on the inspection of 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 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.

## 8.10. FERTILIZER INSPECTION FEES

The State Plant Board collects an inspection fee on all commercial fertilizers and fertilizer materials shipped or caused to be shipped for sale or consumption in this state or which have been made, mixed, manufactured, or compounded in the state for sale or consumption in the state.

### Rate and Base:

\$2.40 per ton or fractional ton

### Exemptions:

None

### History:

Act 398 of 1907 imposed the fertilizer inspection fee 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 fee of \$1.10 per ton.

Act 783 of 1993 increased the fertilizer inspection fee from \$1.10 per ton to \$1.20 per ton.

Act 326 of 2009 increased the fertilizer inspection fee to \$2.40 per ton.

### Revenues Generated:

See Plant Board Fees

### Distribution of Tax:

62¢ - special revenues for credit to the Plant Board Fund and \$1.78 - to University of Arkansas, Division of Agriculture, Soil Testing and Research Fund.

### Administered by:

State Plant Board

### Cite:

Arkansas Code (1987) 2-19-209

### 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; 2-37-104; 2-37-109

## 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 ..... \$15.00
2. Delayed certificate of death or marriage..... \$15.00
3. New birth certificate ..... \$5.00
4. New certificate-legitimized, paternity determined, name change ..... \$15.00
5. Marriage application..... \$1.00
6. Amendments to records ..... \$15.00
7. Amendments to records requested by hospitals ..... \$2.00
8. Certification of any certificate other than death..... \$5.00
9. Certification of death certificate (single copy) ..... \$4.00
10. Additional copies of death certificate ..... \$1.00
11. Search fee for birth, marriage, or divorce ..... \$5.00
12. Search of the putative father registry ..... \$5.00
13. Search fee for death records..... \$4.00
14. Review of plans and specification ..... \$50.00  
up to \$500.00
15. Cemetery inspection ..... \$50.00

#### (§ 20-7-119):

1. Medical identification tags bracelets..... \$0.50
2. Medical identification bracelets ..... \$1.00

#### (§ 20-57-102):

- Food salvagers and food salvage distributors permits ..... \$150.00

#### (§ 20-57-204):

1. Food service. .... \$35.00  
up to \$105.00
2. Temporary food establishment permit per day ..... \$5.00
3. Out-of-state water bottler sales permit ..... \$50.00

#### (§ 20-59-404):

1. Milk producer and milk plant thirty one thousandths of 0.030¢ per 100 lbs. of Grade “A” milk
2. Inspection fee of \$10 for each sample analyzed of imported raw Grade “A” milk
3. Producer – Distributor 0.065¢ per 100 lbs. of Grade “A” milk
4. Milk Hauler who samples and transports Grade “A” milk in the State – annual permit of \$10
5. Distributors of Grade “A” milk processed by plants outside of Arkansas and sold in the State 30¢ per 100 lbs. or a monthly minimum fee of \$200 plus \$10 for each sample analyzed
6. Single service plants not paying milk inspection fees – \$200

#### (§§ 20-13-211 – 20-13-212):

1. Emergency Medical Personnel Examination – Not to exceed \$20
2. Biennial renewal of Emergency Medical Personnel – certification not to exceed \$20
3. Issuance and annual renewal of each ambulance service – not to exceed \$50
4. Annual inspection of emergency vehicles – not to exceed \$5 per vehicle
5. Issuance and renewal of operational air ambulance license not to exceed – \$100
6. Inspection and permitting of ambulances – additional \$100
7. Operational permit for ambulance service, advanced life support rescue service, or air ambulance service – additional \$500

#### (§ 17-45-103):

Septic tank cleaner license \$25.00 and \$25 for each septic tank pumper vehicle over the first vehicle owned

#### (§ 14-236-116):

1. Individual sewage disposal permit per size of structure
  - Up to 1,500 square feet ..... \$30
  - Up to 2,000 square feet ..... \$45
  - Up to 3,000 square feet ..... \$90
  - Up to 4,000 square feet ..... \$120
  - Above 4,000 square feet..... \$150
2. Alteration, repair, or extension – \$30
3. Sewage disposal installer – \$100 annual certification
4. Septic tank manufacturer – \$100 annual registration fee
5. Designated representative – \$100 annual certification fee
6. Certified maintenance person - \$50 annual certification
7. Subdivision development \$100 for the first lot, and \$25 for each additional lot up to \$1,500

#### (§§ 20-59-206 – 20-59-211):

1. Dairy plant license (fluid milk) – \$100 – \$1,000, based on pounds of milk received the previous year; dairy plant license (cream) – \$100 – \$800, based on pounds of butterfat received the previous fiscal year
2. Frozen dessert manufacturer’s license – \$60.00 – \$1,200, based on previous year’s production
3. Transfer plant receiving fluid milk - fee based on 1/2 of fees of dairy plant purchasing fluid milk – \$50.00 – \$500; Transfer plant receiving cream - fee based on 1/2 of fees of dairy plant purchasing cream – \$50 – \$400)
4. Mellorine plant license – \$60.00 – \$1,200, based on previous year’s production
5. Milk tester –\$10
6. Sampler and grader’s license – \$10)

#### (§ 20-59-704):

1. Milk laboratory program fee – determined by the Department of Health by dividing the total cost of operating the program by the number of laboratories participating in the program



- Certification for standard plate count, cyroscope, direct microscopic somatic cell count, and electronic somatic cell count – \$750

(§ 20-15-1005):

- First mammography tube ..... \$700  
3 year accreditation
- Additional mammography tubes ..... \$500  
3 year accreditation
- Additional review of images and phantoms ..... \$100  
not to exceed \$

(§ 20-30-106):

Public swimming pool permit fee – \$25 annually

Public swimming pool and a food service establishment owned and operated at the same location by the same person – \$10 annually

(§ 20-32-107):

License to transport, treat, or dispose of commercial medical waste – \$250, plus \$5 per ton

(§ 17-51-106):

Water work operator fees (maximum):

- Examination ..... \$50
- Licensing ..... \$25
- Renewal of license ..... \$50
- Late renewal penalty ..... \$10
- Evaluation of reciprocity ..... \$50
- Temporary permit & renewal ..... \$25

(§ 17-26-601 et seq.):

This section was repealed and transferred to Title 17 under the Cosmetology Technical Advisory Committee/Department of Health by Act 900 of 2021 and Act 688 of 2023.

Body piercing, branding and tattooing fees:

- Facility license fee ..... \$150
- Artist license fee ..... \$100
- Out-of-state artist qualification review ..... \$200
- Temporary demonstration license ..... \$50 to \$2,000

(§ 20-28-104):

- Community public water system or nontransient noncommunity water system fee – 40¢ per service connection, determined by dividing the population served by 2 1/2, with the minimum fee being \$250
- Noncommunity public water system – \$125

(§ 20-21-217)

Hospitals or medical centers:

- Category I-A ..... \$900
- Category I-B ..... \$700
- Category II-A ..... \$650
- Category II-B ..... \$450
- Category III ..... \$200

Retroactive material licenses:

- Private practice, other than teletherapy units, or particle accelerators ..... \$100
- Radiography: In plant for first bay ..... \$350  
In plant for 2 or more bays ..... \$500  
Field ..... \$1,000
- Wireline service operation  
for 1 to 3 sources ..... \$300  
for 4 or more sources ..... \$500
- Academic:  
Broad ..... \$500  
Other ..... \$200
- Gas chromatograph devices  
and lead analyzers ..... \$100
- Nuclear gauges for 1 to 5 gauges ..... \$300  
for 6 or more gauges ..... \$500
- Particle accelerator, nonmedical ..... \$200
- In vitro laboratory testing ..... \$25
- Irradiators ..... \$1,000
- Nuclear pharmacy ..... \$1,000
- Mobile nuclear medicine service ..... \$1,200
- Consultants ..... \$250

General licensed devices: Initial registration and annual fees:

- Certain measuring, gauging, and controlling devices ..... \$300
- Generally licensed gas chromatographs ..... \$200
- Static elimination devices ..... \$100
- Source material devices ..... \$500
- Devices containing depleted uranium ..... \$500
- Public safety devices containing radioactive material ..... \$50
- All other general license registrations ..... \$150

Other:

- Medical, therapy, nonhospital unit  
for first unit ..... \$250  
for each additional unit ..... \$175
- Particle accelerator, medical, nonhospital unit  
for first unit ..... \$450  
for each additional unit ..... \$ 300.00
- Arkansas State Board of Health Rules  
for Control of Sources of Ionizing Radiation  
for first copy ..... No fee  
for each additional copy ..... \$30
- Naturally occurring radioactive  
material license ..... \$2,500
- Amendment to existing license  
per amendment ..... \$50
- Registration of X-ray unites per tube ..... \$ 65  
up to \$260
- Vendor providing radiation equipment  
services or radiation safety services ..... \$65

Reciprocity:

- 1. Naturally occurring radioactive material.....\$2,500
- 2. Radiography, field.....\$1,000
- 3. Wireline.....\$500
- 4. Nuclear gauge .....\$500
- 5. Consultant .....\$100

**Exemptions:**

Certified copies of vital records are furnished to veterans or their dependents without cost when the Veterans Administration required copies of such records.

Public school cafeterias and nonprofit organizations are exempt from food service permit fees.

Any retail food store having gross sales of less than \$150,000 is exempt from payment of the food service permit fee.

**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 or 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 per bed, or \$50, whichever is greater, not to exceed \$1,000
- 2. Outpatient Surgery Center..... \$500
- 3. Recuperation Center:
  - a. Hospital Based ..... \$50 /facility

- b. Free Standing ..... \$500  
/facility
- 4. Alcohol/Drug Abuse Treatment Center:
  - a. Hospital Based .....\$500  
/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, also known as 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:

- 1. Issuance of original Certificate of Authority ..... \$1,000
- 2. Annual renewal..... \$50
- 3. Filing annual statement..... \$50
- 4. 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–\$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:

- 1. Two-thirds of the septic tank manufacturers fee and all of the installers fee and review certificate fees are credited to the Public Health Fund;
- 2. One-third 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 established 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–\$600;
- 2. Dairy plant license (fluid milk) \$50–\$500;
- 3. Dairy plant license (cream) \$50–\$400;
- 4. Transfer plant (fluid milk) \$25–\$250;
- 5. Transfer plant (cream) to \$25–\$200;
- 6. Mellorine plant license to \$30–\$600.

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 per visit to local health units, or \$10 per 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 one \$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 per year
- Sub-unit – \$50.00 per year

Act 577 of 1989 authorized 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 provided 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 increased fees charged for the regulation, licensing, and inspection of manufactured milk plants.

Act 873 of 1991 increased the septic tank permit fee to \$30, provided for a registration of one hundred dollars \$100 for septic tank manufacturers and provided for an annual training course for fifty dollars \$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 authorized 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 extended until July 1, 1995, the food services permit fee.

Act 174 of 1993 increased the surcharge on marriage licenses to \$10, which is deposited in the Children’s Trust Fund.

Act 350 of 1993 provided that all fees prescribed in the Vital Statistics Act are to be deposited into the Public Health Fund.

Act 903 of 1993 increased the annual fee for community water systems and non-transient, non-community water systems from 15¢–25¢ per service connection per month.

Act 168 of 1995 extended from July 1, 1995, through July 1, 1997, the food service permit fee.

Act 508 of 1995 designated the Department of Health as the accreditation body for the purpose of accrediting mammography facilities. The Act also established the following fees:

1. First mammography tube, \$700 to be collected at the beginning of each three year accreditation period.
2. Each additional mammography tube, \$500 to be collected at the beginning of each three years accreditation period.
3. Each additional review of clinical images and phantoms, \$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 \$300.

All fees collected are deposited to the credit of the Public Health Fund.

Act 796 of 1995 established categories of hospitals for the purpose of licensing and registering their radioactive materials and X-ray equipment. The Act also provided for a fee schedule. All fees collected are credited to the Public Health Fund.

Act 1256 of 1995 repealed the \$2 fee for adoption decree and the \$1 fee for filing of divorce complaint.

Act 1275 of 1995 imposed 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 levied 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	\$75.00
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. As in effect on and after September 1, 2003, the following fees shall be collected and credited to the State Board of Health Laboratory Revenue Fund:

1. A fee of \$7 collected by the State registrar for the making and certification of any birth certificate or record;
2. A fee of \$5 collected for the making and certification of each additional copy of any birth certificate or record;
3. A fee of \$6 collected by the State registrar for the making and certification of a single copy of a death certificate;
4. A fee of \$7 collected by the State registrar for the making and certification of any marriage or divorce certificate or record;
5. A fee of \$5 collected by the State registrar for the making and certification of any marriage or divorce certificate or record;
6. A fee of \$5 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 \$7 collected by the State registrar for an examination and search of the files for any birth record;
8. A fee of \$5 collected by the State registrar for an examination and search of the files for any marriage or divorce record;
9. A fee of \$6 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 extended the imposition of food service establishment fees through July 1, 2009:

- \$35.00 – permit
- \$105 – per location

Act 929 of 2005 raised fees and updated 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 \$1,000
General license.....	\$30
	up to \$2,500
Reciprocity.....	\$100
	up to \$2,500

Act 1271 of 2005 authorized 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 United States, added a one-time application fee of \$500 for qualification review, waived the fee for written and practical exams, and required a \$100 annual license fee. It also added a license reinstatement fee of \$100 plus all overdue fees for body artists. It changed temporary demonstration license fee to: a sponsor fee of \$50 per artist that is not to exceed \$2,000 per event, and a \$50 fee for the guest artist.

Act 1433 of 2013 moved collection of certain fees under the Health Maintenance Organization Act to the Insurance Commission and fees to the State Insurance Department Trust Fund.

Act 788 of 2019 increased certain fees associated with the Public Water System Service Act.

Act 900 of 2021 amended the Cosmetology Technical Advisory Committee and established procedures for licensure and regulations of permanent cosmetics and semipermanent cosmetics procedures.

Act 268 of 2023 amended and updated the law regarding regulation of ionizing radiation to comply with federal laws and regulations.

Act 688 of 2023 amended the laws concerning body art and the Cosmetology Technical Advisory Committee.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount (1)	%Change
2013	\$ 6,853,850	(3.62)
2014	\$ 6,961,051	1.56
2015	\$ 7,455,539	7.10
2016	\$ 7,795,883	4.56
2017	\$ 7,820,194	3.12
2018	\$ 7,735,263	(1.09)
2019	\$ 8,271,142	6.93
2020	\$ 9,240,573	11.72
2021	\$ 9,816,513	6.23
2022	\$ 9,853,376	0.38
2023	\$ 9,929,029	0.77
2024	\$ 10,054,345	1.26

(1) amount collected and deposited represents the Public Health Fund only

**Distribution of Tax:**

Special Revenues are deposited into the Public Health Fund.

\$10 of the Emergency Medical Technician examination and renewal fee deposited to the Emergency Medical Services Revolving Fund.

Additional inspection and permitting fees for ambulances and emergency services deposited to the Arkansas Medicaid Program Trust Fund.

**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:

- |   |         |                                   |      |
|---|---------|-----------------------------------|------|
| 1. Admission fees:  |         |                                   |      |
| a. Filing and reviewing all documents necessary to issuance of certificate of incorporation (domestic companies)  | \$100   |                                   |      |
| b. Issuance of an original certificate of incorporation (domestic companies)  | \$50    |                                   |      |
| c. Reviewing all documents necessary for issuance of original certificate of authority  | \$500   |                                   |      |
| d. Issuance of original certificate of authority (all companies)  | \$150   |                                   |      |
| e. Issuance of original license for rate service organizations and employer service assurance organizations   | \$500   |                                   |      |
| 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   |                                   |      |
| 2. Annual Renewal fees:   |         |                                   |      |
| a. Filing annual statement (all companies)  | \$50    |                                   |      |
| b. Renewal of certificate of authority  | \$100   |                                   |      |
| c. Rate service organization and employer service assurance organizations, annual continuation of license   | \$100   |                                   |      |
| 3. Other Miscellaneous fees:  |         |                                   |      |
| a. Amendment to articles of incorporation   | \$25    |                                   |      |
| b. Reinstatement of certificate of authority  | \$50    |                                   |      |
| c. Amending an existing certificate of authority  | \$100   |                                   |      |
| 4. Agent's License (Resident Agents):   |         |                                   |      |
| a. Property, casualty, surety agents: Original issuance of each license   | \$15    |                                   |      |
| Appointment of agent by insurer, each insurer   | \$10    |                                   |      |
| Annual continuation of appointment, each insurer  | \$10    |                                   |      |
| b. Life and disability insurance agents, original license, each insurer   | \$10    |                                   |      |
| Annual continuation of appointment, each insurer  | \$10    |                                   |      |
| c. Each vending machine, licensed under (§ 23-64-223), each year  | \$10    |                                   |      |
| 5. Broker's License (Resident Brokers):   |         |                                   |      |
| a. Original license   | \$30    |                                   |      |
| b. Annual continuation of license   | \$30    |                                   |      |
| 6. Nonresident Broker (Corporate) License:  |         |                                   |      |
| a. Original license   | \$30    |                                   |      |
|   |         | b. Annual continuation of license | \$30 |
| 7. Nonresident Broker License:  |         |                                   |      |
| a. Original license   | \$30    |                                   |      |
| b. Annual continuation of license   | \$30    |                                   |      |
| 8. Nonresident Agent License  |         |                                   |      |
| Established by rule   |         |                                   |      |
| 9. Temporary License:   |         |                                   |      |
| a. Resident Agent   | \$10    |                                   |      |
| b. Resident Broker  | \$25    |                                   |      |
| 10. Examination for Agent and Broker License:   |         |                                   |      |
| a. Filing application for examination   | \$10    |                                   |      |
| b. Filing application for reexamination   | \$5     |                                   |      |
| 11. Surplus Line Broker License:  |         |                                   |      |
| a. Original license, individual   | \$1,000 |                                   |      |
| b. Original license, firms and corporations, plus one qualifying individual   | \$1,000 |                                   |      |
| c. Each additional individual   | \$100   |                                   |      |
| d. Annual continuation of license   | \$25    |                                   |      |
| 12. Adjuster's License, each year   | \$25    |                                   |      |
| 13. Consultants:  |         |                                   |      |
| a. Original license   | \$25    |                                   |      |
| b. Annual renewal   | \$25    |                                   |      |
| 14. Copies of Documents, per page   | \$0.25  |                                   |      |
| 15. Commissioner's Authentication of any document or instrument other than license  | \$5.00  |                                   |      |
| 16. 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: |         |                                   |      |
| a. For filing and reviewing all documents necessary for issuance of original certificate of authority   | \$1,000 |                                   |      |
| b. For issuance of the original certificate of authority  | \$200   |                                   |      |
| c. For annual renewal of the certificate of authority   | \$100   |                                   |      |
| d. For filing an annual statement   | \$50    |                                   |      |
| e. For filing amendments to documents required under § 23-76-107  | \$1000  |                                   |      |
| 17. Life Care Provider Fees   |         |                                   |      |
| a. \$400 filing fee   |         |                                   |      |
| b. \$40 per living unit   |         |                                   |      |

18. Administrative and Financial Regulation Fees

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
\$ 1 - \$ 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

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, also known as "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 \$2.00
4. Every copy of any paper filed in the bureau ..... \$0.20 /folio  
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 \$5.00 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, also known as "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..... \$100
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 ..... \$ 0.20 /page  
for each certificate to same ..... \$ 1

Act 137 of 1925 regulated insurance companies operating on the stipulated premium plan and established the following fees:

1. Fee for examining and filing the articles of incorporation ..... \$ 15
2. Fee for each certificate of authority, annually ..... \$ 2
3. Annual fee for each agent..... \$ 2
4. 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 ..... \$ 0.20 /page  
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 ..... \$ 50.00
2. For filing amendment to charter ..... \$ 25.00
3. For filing annual statement ..... \$ 25.00
4. For issuing annual certificate of authority ..... \$ 5.00
5. For filing power of attorney designating agent for service of process ..... \$ 5.00
6. Agent’s license ..... \$ 2.00
7. Certificate of incorporation ..... \$ 5.00
8. Copies of documents ..... \$ 1.00 /page
9. For each certificate authenticating any document..... \$ 2.00

Act 4 of 1957 amended Act 312 of 1953 and increased agents’ license fees to three dollars (\$3.00).

Act 248 of 1957 established a fee of one hundred fifty dollars (\$150) annually for a license for a surplus line broker.

Act 148 of 1959, also known as 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 ..... \$ 5.00
  - b. Annual continuation fee ..... \$ 5.00
  - c. Reinstatement fee ..... \$ 50.00
2. Charter documents:
  - a. For filing charter ..... \$ 50.00
  - b. For filing amendment to charter ..... \$ 25.00
  - c. Certificate of incorporation ..... \$ 5.00
3. Power of attorney designating agent for service of process, filing ..... \$ 5.00
4. Annual statement of insurer, filing ..... \$ 25.00

5. Agent’s license (resident agents):

- a. Property, casualty, surety agents:
  - original issuance of each license ..... \$ 5.00
- b. Appointment of agent by insurer, each insurer ..... \$ 3.00
- c. Annual continuation of appointment, each insurer ..... \$ 3.00
- d. Life and disability insurance agent, original license, each insurer ..... \$ 3.00
- e. Each vending machine, licensed under (§ 23-64-223), each year ..... \$ 3.00
- f. Broker’s license (resident brokers):
  - Original license ..... \$ 10.00
  - Annual continuation ..... \$ 10.00
6. Solicitor’s license, original license ..... \$ 3.00
7. Annual continuation ..... \$ 3.00
8. Nonresident broker or agent license:
  - Original license ..... \$ 10.00
9. Annual continuation ..... \$ 10.00
10. Temporary license:
  - As resident agent ..... \$ 5.00
  - As resident broker ..... \$ 10.00
11. Examination for agent, broker, or solicitor license:
  - Filing application for examination or reexamination ..... \$ 10.00
12. Surplus line broker license, each year ..... \$ 50.00
13. Adjuster’s license, each year ..... \$ 10.00
14. Miscellaneous services:
  - a. For copies of documents, records on file in Insurance Department, per page..... \$ 0.50
  - b. For each certificate of the Commissioner authenticating any document or other instrument (other than licenses and certificates of authority) ..... \$ 1.00

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)..... \$200.00
2. Annual renewal fees:
  - a. Filing annual statement (all companies) ..... \$ 50.00
  - b. Renewal of certificate of authority (all companies) ..... \$100.00
3. Other miscellaneous fees:
  - a. Amendment to articles of incorporation..... \$ 25.00
  - b. Reinstatement of certificate of authority
4. Agent’s license (resident agents)
  - a. Property, casualty, surety agents:
    - Original issuance of each license ..... \$ 5.00
    - Appointment of agent by insurer, each insurer ..... \$ 3.00



- Annual continuation of appointment, each insurer..... \$ 3.00
- b. Life and disability insurance agents, original license, each insurer ..... \$ 3.00
  - Annual continuation of license, each insurer..... \$ 3.00
- c. Each vending machine licensed under (§ 23-64-223), each year ..... \$ 10.00
- 5. Broker’s License (resident brokers):
  - Original license ..... \$ 10.00
  - Annual continuation ..... \$ 10.00
- 6. Solicitor’s license, original license ..... \$ 3.00
  - Annual continuation of license ..... \$ 3.00
- 7. Nonresident broker or agent license:
  - Original license ..... \$ 10.00
  - Annual continuation ..... \$ 10.00
- 8. Temporary license: As resident agent ..... \$ 5.00
  - As resident broker ..... \$ 10.00
- 9. Examination for agent, broker or solicitor license:
  - Filing application for examination or reexamination, agent, broker, or solicitor ..... \$ 10.00
- 10. Surplus line broker license, each license year ..... \$ 50.00
- 11. Adjuster’s license, each year ..... \$ 10.00
- 12. Miscellaneous services:
  - a. For copies of documents, records on file in Insurance Department ..... \$ 0.50 /page
  - b. For each certificate of the Commissioner authenticating any document or other instrument (other than licenses and certificates of authority) ..... \$ 1.00

Act 729 of 1975 amended Act 148 of 1959 and changed the admission fees as follows:

- 1. Reviewing all documents for admission..... \$250.00
- 2. Issuance of original certificate of authority ..... \$150.00

Act 789 of 1977 again amended Act 148 of 1959 and made the following change:

- 1. Surplus line broker license ..... \$100.00 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) ..... \$100.00
  - b. Issuance of original certificate of incorporation (domestic companies) ..... \$ 50.00
  - c. Reviewing all documents necessary for issuance of original certificate of authority (all companies)..... \$250.00
  - d. Issuance of original certificate of authority (all companies)..... \$150.00
  - e. Issuance of original license for rate service organizations ..... \$ 25.00

- 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..... \$250.00
- 2. Annual renewal fees:
  - a. Filing annual statement (all companies)..... \$ 50.00
  - b. Renewal of certificate of authority (all companies)..... \$100.00
  - c. Rate service organizations annual continuation of license ..... \$ 25.00

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 provided for the assessment of administrative and regulator fees.

Act 787 of 1993 required for the licensing of life care providers.

Act 901 of 1993 assessed a fifty dollar (\$50.00) administrative and regulator fee on insurance agents. The Act also amended various health maintenance organization fees.

Act 1094 of 1993 provided for the licensing and regulation of managing general agents.

Act 881 of 1999 replaced and added various document print and copy fees.

Act 1043 of 2001 created the Prepaid Funeral Contracts Recovery Board, of which, action is subject to examination under the Commissioner.

Act 1473 of 2003 repealed the Prepaid Funeral Contracts Recovery Board.

Act 1965 of 2005 allowed 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 authorized 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 moved 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..... \$1,000.00
- 2. Issuance of the original certificate of authority ..... \$ 200.00
- 3. Annual renewal of certificate of authority..... \$ 100.00
- 4. Filing an annual statement..... \$ 50.00
- 5. Filing amendments to document ..... \$ 100.00

Act 1494 of 2013 established a license for limited lines travel insurance producers.

Acts 1 and 3 of 2nd Extraordinary Session, 2018 provided for the licensing and regulation of pharmacy benefits managers.

Act 107 of 2019 provided for the transfer of the Arkansas Health Insurance Marketplace to State Insurance Department.

Act 994 of 2019 clarified the regulation of pharmacy benefits managers.

Act 367 of 2021 repealed fees payable by agents on inactive license status under the State Insurance Department Trust Fund Act and made other modifications.

Act 503 of 2021 modified the Arkansas Health Insurance Marketplace due to changes made from Arkansas Works Act of 2016 to Arkansas Health and Opportunity for Me Act of 2021.

Act 1018 of 2021 established the Arkansas Insurance Business Transfer Act and establishes an application fee of \$10,000.

Act 302 of 2023 amended the regulation of pharmacy benefits managers.

Act 345 of 2023 modified prepaid funeral benefits and imposed administrative penalties for failure to surrender documentation to the Insurance Commissioner.

Act 509 of 2023 amended the powers of the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services to impose a civil penalty of \$500 per violation for failure to maintain a perpetual care cemetery.

**Administered by:**

State Insurance Commissioner

**Cite:**

Arkansas Code (1987) 23-61-401; 23-61-703; 23-61-803; 23-69-501; 23-76-107; 23-76-127; 23-92-504; 23-93-206

**Revenues Generated:**

**Insurance Agents Fees and Licenses**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 2,358,389	11.83
2014	\$ 2,774,892	17.66
2015	\$ 11,075,124	299.12
2016	\$ 12,678,588	14.48
2017	\$ 11,099,680	(12.45)
2018	\$ 16,122,554	45.25
2019	\$ 16,128,810	0.04
2020	\$ 18,019,537	11.72
2021	\$ 20,186,730	12.03
2022	\$ 22,303,790	10.49
2023	\$ 21,559,925	(3.34)
2024	\$ 17,682,915	(17.98)

**State Insurance Department Fees**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 22,726,507	(28.66)
2014	\$ 30,816,596	35.60
2015	\$ 32,223,767	4.57
2016	\$ 25,789,907	(19.97)
2017	\$ 24,459,606	(5.16)
2018	\$ 30,223,324	23.56
2019	\$ 30,512,357	0.96
2020	\$ 31,857,465	4.41
2021	\$ 36,758,491	15.38
2022	\$ 40,972,239	11.46
2023	\$ 40,037,186	(2.28)
2024	\$ 36,372,458	(9.15)

**Distribution of Tax:**

Special Revenues

## 8.13. INSURANCE PREMIUM TAX

Premium taxes are collected from licensed insurance carriers by the Insurance Commissioner and remitted to the State Treasury.

### Rate and Base:

1. Foreign Property and Casualty Insurers – two and one-half percent (2.5%) on net premium receipts, plus an additional one-half of one percent (0.5%) for fire protection services.
2. Foreign Life, Accident, and Health Insurers – two and one-half percent (2.5%) on net premium receipts.
3. Wet Marine and Foreign Trade – three-quarters (3/4) of one percent (1%) of gross underwriting profit.
4. Domestic Property and Casualty Insurers – two and one-half percent (2.5%) on net premiums, plus an additional one-half of one percent (0.5%) for fire protection services.
5. Domestic Life Accident and Health Insurers – two and one-half percent (2.5%) on net premiums.
6. Health Maintenance Organization – two and one-half percent (2.5%) on premiums and co-payments.
7. Farmers Mutual Aid Associations – two and one-half percent (2.5%) on direct written premiums.
8. Hospital/Medical Service Corporations – two and one-half percent (2.5%) on direct written premiums and co-pays.
9. Title and Aviation Title Insurers – two and one-half percent (2.5%) on direct written premiums.
10. Captive Insurers:
 

<u>Direct Premiums</u>		
\$ 1 - \$20,000,000		0.25%
\$20,000,001 - \$40,000,000		0.15%
Over \$40,000,000		0.05%
<u>Reinsurance Written</u>		
\$ 1 - \$20,000,000		0.225%
\$20,000,001 - \$40,000,000		0.15%
\$40,000,001 - \$60,000,000		0.05%
Over \$60,000,000		0.025%
11. Registered Risk Retention Groups – four percent (4%) on direct written premiums.
12. Worker's Compensation - maximum of three percent (3%) on written manual premiums.

### Exemptions:

None

### History:

#### Foreign Fire & Casualty

Year	Act	Rate
1873	106	3.0%
1913	159	5.0% (alien) 1.5% (foreign)
1917	264	2.0% (foreign)
1947	49	2.0% (foreign)
1959	248	2.5% (foreign and alien)
1991	833	3.0%

#### Foreign Life Insurance Companies

Year	Act	Rate
1873	106	3.0%
1913	259	5.0% (alien)
1913	220	1.5%
1917	264	2.0%
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	3.0%
1913	220	1.5%
1917	264	2.0%
1938	4	2.0%
1945	187	2.0%
1947	49	2.0%
1975	450	2.5%

#### Foreign Health & Accident

Year	Act	Rate
1913	220	1.5%
1917	264	2.0%
1931	235	2.5%
1945	187	2.5%
1947	49	2.5%
1959	148	2.5%

#### Wet Marine & Foreign Trade Insurance

Year	Act	Rate
1949	148	¾ of 1.0%

#### Worker's Compensation Insurance

Year	Act	Rate
1939	319	2.0% additional
1948	Init.	up to 3.0% Meas. 4

Act 1033 of 1987 levied a premium tax of two and one-half percent (2.5%) of net premium on domestic life and disability insurers and Health Maintenance Organizations.

Act 444 of 1989 created 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 levied an additional one-half (1/2) of one percent (1%) 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 firefighters.

Act 10 of the First Extraordinary Session of 1992 created the Fire Protection Premium Tax Fund.

Act 652 of 1993 provided that if the cumulative tax payment to the Fire Protection Premium Tax fund is less than \$25, the payer can defer payment to following quarters.

Act 909 of 2001 amended portions of the Tax Code from "disability insurance" to "accident and health insurance."

Act 1391 of 2001 provided the following tax rates for captive insurance companies:

<u>Direct Premiums</u>		
\$ 1 - \$20,000,000	0.4 of 1%	
\$20,000,001 - \$40,000,000	0.3 of 1%	
\$40,000,001 - \$60,000,000	0.2 of 1%	
Over \$60,000,000	0.075 of 1%	
<u>Reinsurance Written</u>		
\$ 1 - \$20,000,000	0.225 of 1%	
\$20,000,001 - \$40,000,000	0.150 of 1%	
\$40,000,001 - \$60,000,000	0.050 of 1%	
Over \$60,000,000	0.025 of 1%	

Act 1540 of 2001 allowed fifty percent (50%) of the growth in the general revenue residual capped at two million dollars (\$2,000,000) be diverted to the Fire Protection Premium Tax Fund.

Act 860 of 2003 established a premium tax liability credit for a person purchasing an equity interest in a capital development company as in effect on and after January 1, 2003, until December 31, 2013.

Act 2222 of 2005 provided 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 provided an income tax credit or a premium tax credit for the rehabilitation of historic structures in Arkansas.

Act 461 of 2013 permitted captive insurance companies to take credit for reserves on risks or portions of risks ceded to reinsurers upon approval of the Insurance Commissioner. Lowered the tax rate for captive insurance companies to: twenty hundred fifty thousandths of one percent (0.250%) on the first twenty million dollars (\$20,000,000); one hundred fifty thousandths of one percent (0.150%) on the next twenty million dollars (\$20,000,000); and fifty thousandths of one percent (0.050%) on each dollar thereafter. Limited the total taxes paid by a captive insurance company to one hundred thousand dollars (\$100,000) a year.

Act 1474 of 2013 created new market tax credit against insurance premium tax liability for businesses who make qualified investments.

Act 276 of 2014 credited premiums collected to implement the private insurance option under the Health Care Independence Programs to the Health Care Independence Program Trust Fund.

Act 775 of 2017 created the Medicaid Provider-Led Organized Care Act to reform and Arkansas Medicaid Program to improve patient outcomes. The Act designated that a risk-based provider organization is an insurance company for certain purposes under Arkansas law and is required to pay the insurance premium tax. The Act also required that insurance premium taxes received from risk-based provider organizations be used to eliminate the waiting list for the Alternative Community Services Waiver Program, also known as the “Developmental Disabilities Waiver.”

Act 457 of 2019 phased in a reduction of the percentage of the credit available to offset the accident and health insurance premium tax and provided for a per-taxpayer cap on the credit available to offset the accident and health insurance premium tax.

Act 32 of 2023 repealed the tax on legal insurance premiums.

## Revenues Generated

### General Revenues

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 109,981,040	15.50
2014	\$ 118,451,698	7.70
2015	\$ 169,378,792	42.99
2016	\$ 101,893,481	(39.84)
2017	\$ 141,873,478	39.24
2018	\$ 114,984,422	(18.95)
2019	\$ 161,589,057	13.90
2020	\$ 125,063,350	(22.60)
2021	\$ 191,853,754	53.41
2022	\$ 163,870,491	(14.59)
2023	\$ 186,325,418	13.70
2024	\$ 208,632,189	11.97

### Special Revenues

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 52,967,250	4.71
2014	\$ 55,548,808	4.87
2015	\$ 57,372,409	3.28
2016	\$ 59,056,015	2.93
2017	\$ 60,960,152	3.22
2018	\$ 64,709,222	6.15
2019	\$ 68,267,348	5.50
2020	\$ 70,599,875	3.42
2021	\$ 72,925,202	3.29
2022	\$ 78,141,927	7.15
2023	\$ 83,988,867	7.48
2024	\$ 90,832,821	8.15

### Distribution of Tax:

General Revenues

Special Revenues:

Health Care Independence Program Trust Fund – premiums collected under Arkansas Health Insurance Marketplace Act.

Policemen’s & Firemen’s Pension Relief Fund, Fire Protection Premium Fund, State Police Retirement Fund.

Workers Compensation premiums distributed to: Workers' Compensation Fund, Second Injury Trust Fund, and Death and Permanent Total Disability Trust Fund.

### Administered by:

Insurance Commissioner

### Cite:

Arkansas Code (1987) 11-9-303; 23-63-1614; 23-73-105; 23-75-119; 23-76-131; 23-94-210; 26-57-601 et seq.

## 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. Registration – fifteen dollars (\$15.00) per liming material.
2. Tonnage fee – thirty cents (30¢) per ton or fractional ton; 30¢ with each quarterly report of tonnage that is less than one (1) ton.
3. Penalty for deficiency – two (2) times the value of the actual deficiency.
4. Late report or failure to report – tonnage fee is doubled.

### Exemptions:

None

### History:

Act 131 of 1967, also known as “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 – one dollar (\$1.00)
2. Inspection fees – two cents (2¢) per ton.
3. Penalty for deficiency - two (2) 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 – five dollars (\$5.00)
2. Vendor’s license – five dollars (\$5.00) plus a fee of one dollar (\$1.00) for each spreader truck.
3. Inspection fee – five cents (5¢) per ton.
4. Penalty for deficiency - two (2) 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 twenty cents (20¢) per ton to thirty cents (30¢) ton.

Act 557 of 2021 repealed the vendor’s license fee for each spreader truck or similar vehicle.

### Revenues Generated:

See Plant Board Fees

### Distribution of Tax:

Special revenue credited to the Plant Board Fund. Of the thirty cents (30¢) cents tonnage fee, twenty cents (20¢) is credited to the Plant Board Fund, and ten cents (10¢) is credited to the University of Arkansas, Division of Agriculture, 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  
    Over 50 water gal.- 120 gal. capacity ..... \$ 10.00  
    Over 120 water gal.- 2,000 gal. capacity ..... \$ 20.00  
    Over 2,000 water gal. capacity ..... \$ 25.00
  2. Fuel containers used on mobile equipment such as automobiles, tractors & trucks ..... \$ 5.00
  3. DOT or ICC cylinders shall comply with DOT or ICC regulations, and cylinders with 100-pound capacity or less shall require..... no fee.
  4. Containers used for bulk storage, regardless of size..... \$ 35.00
  5. Cargo containers mounted on trucks or semi-trailers, regardless of size..... \$150.00
  6. Containers used for commercial or industrial storage, cylinder filling plants, service stations ... \$ 25.00
  7. Piping in public buildings using liquefied petroleum gas ..... \$ 35.00
  8. Piping in domestic, commercial, industrial, or other type building..... \$ 25.00
  9. Shop inspection (per day) ..... \$ 35.00
  10. Certificate of Competency ..... \$ 25.00
- Dealer desiring to enlarge or expand beyond permitted counties \$300/add'l county

Permits granted by the Board to engage in the liquefied gas business:

Class 1: .....	\$ 500.00
first county	\$ 300.00
each contiguous county	
Class 2: .....	\$ 100.00
Class 3: .....	\$ 100.00
Class 4: .....	\$ 50.00
Class 5: .....	\$ 200.00
Class 6: .....	\$ 200.00
Class 7: .....	\$ 100.00
Class 8: .....	\$ 200.00
Class 9: .....	\$ 100.00
Class 10.....	\$ 100.00

Filing an application for a permit – fifty dollars (\$50.00)

### 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 liquefied petroleum 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. One (1) to twelve (12) units, one dollar and fifty cents (\$1.50) each;
  - b. Thirteen (13) to twenty-five (25) units – one dollar (\$1.00) each;
  - c. Twenty-six (26) or more units – fifty cents (50¢) each.
2. Inspection of containers for utilization plants or systems – five dollars (\$5.00)
3. Inspection of containers for storage or transportation - ten dollars (\$10.00)
4. Special inspection of any container – twelve (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 twenty-five cents (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 liquefied petroleum 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 liquefied petroleum 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 ten dollar (\$10.00) filing fee was required of any person desiring to engage in the liquefied petroleum (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:

Class 1:	\$100.00
Class 2:	\$ 20.00
Class 3:	\$ 15.00
Class 4:	\$ 10.00
Class 5:	\$100.00
Class 6:	\$ 75.00
Class 7:	\$ 20.00
Class 8:	\$100.00
Class 9:	\$ 50.00
Class 10:	\$ 15.00

Act 81 of 1963 added an annual fee of one dollar (\$1.00) 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 One permit to three hundred dollars (\$300).

Act 909 of 1985 increased various inspection registration fees collected by the Liquefied Petroleum Gas Board.

Act 300 of 1991 increased 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 One permits to three hundred dollars (\$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 four hundred dollar (\$400) permit fee.

Act 733 of 2007 modified the fee structure for Class One permits.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 570,895	0.12
2014	\$ 565,050	(1.02)
2015	\$ 604,705	7.02
2016	\$ 608,780	0.67
2017	\$ 573,965	(5.72)
2018	\$ 576,743	0.48
2019	\$ 615,133	6.66
2020	\$ 588,170	(4.38)
2021	\$ 658,050	11.88
2022	\$ 676,168	2.75
2023	\$ 663,695	(1.84)
2024	\$ 390,965	(41.09)

**Distribution of Tax:**

Special revenues for credit to the Liquefied Petroleum Gas Fund

**Administered by:**

Liquefied Petroleum Gas Board

**Cite:**

Arkansas Code (1987) 15-75-320; 15-75-105; 15-75-106; 15-75-305; 15-75-307 through 15-75-316

## 8.16. MANUFACTURED HOMES FEES

The Director of the Arkansas Manufactured Homes Commission, with the approval of the Commission, is authorized to establish the fees for certification and licensing of manufactured or modular home salespersons and monitoring inspection. The Commission also collects assessment fees from manufacturers of manufactured homes. The Director collects the fees and deposits them in the State Treasury.

### Rate and Base:

Certification, licensing, and inspection fees are established by the Director with the approval of the Commission.

Assessment Fees:

#### Initial (per location)

1. Installer ..... \$ 2,500.00
2. Retailer..... \$ 5,000.00
3. Manufacturer..... \$10,000.00

#### Annual (per location)

1. Installer ..... \$ 500.00
2. Retailer..... \$ 1,000.00
3. Manufacturer..... \$ 3,000.00

### 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.

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. As in effect on and after July 1, 1987, the Commission is authorized to collect the following fees:

1. Installer ..... \$ 500.00
2. Dealer Location ..... \$1,000.00
3. Manufacturer Location ..... \$3,000.00

The Recovery Fund must maintain a balance of two hundred fifty thousand dollars (\$250,000). The Commission is authorized to determine and collect such assessments as are needed to maintain a \$250,000 "Recovery Fund" balance.

Act 1263 of 2001 increased the rate for initial assessments.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 265,860	4.71
2014	\$ 250,365	(5.83)
2015	\$ 263,624	5.30
2016	\$ 188,967	(28.32)
2017	\$ 176,080	(6.82)
2018	\$ 179,318	1.84
2019	\$ 172,213	(3.96)
2020	\$ 173,107	0.52
2021	\$ 189,385	9.40
2022	\$ 214,640	13.34
2023	\$ 171,627	(20.04)
2024	\$ 204,876	19.37

### Distribution of Tax:

Certification, licensing, and inspection fees are special revenues for credit to the Manufactured Home Standards Fund.

Assessment fees are special revenues for credit to the Manufactured Housing Recovery Fund. On January 1, of any year, if funds exceed four hundred thousand dollars (\$400,000), the Commission may approve up to five percent (5%) of the balance above that amount be used for training and education programs, including, but not limited to, workshops, instruction manuals, audio and video tapes, and presentations.

### Administered by:

The Arkansas Manufactured Home Commission

### Cite:

Arkansas Code (1987) 20-25-107; 20-29-103; 20-29-104; 20-29-111



## 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 ..... \$100.00
2. Renewal ..... \$ 50.00
3. Public Notices of Inspection ..... \$ 10.00

### Exemptions:

None

### History:

Act 1225 of 1991 established the current pet store registration fees.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 450	(47.06)
2014	\$ 350	(22.22)
2015	\$ 350	0.0
2016	\$ 350	0.0
2017	\$ 400	14.29
2018	\$ 250	(37.50)
2019	\$ 400	60.00
2020	\$ 50	(87.50)
2021	\$ 500	900.00
2022	\$ 350	(30.00)
2023	\$ 300	(14.29)
2024	\$ 0	(100.00)

### Distribution of Tax:

General Revenue

### Administered By:

State Department of Health

### Cite:

Arkansas Code (1987) 4-97-104; 4-97-108

## 8.18. PLANT BOARD FEES

The State Plant Board is authorized to collect various fees for permits and licenses, and the funds collected are deposited in the State Treasury.

### Rate and Base:

#### PESTICIDE DIVISION

Activity (Pesticide Division)	Fee
<b>Registration:</b>	
Product Registration	\$250.00 /product
Abandoned Pesticide Disposal	\$ 50.00/ product if applicable
<b>Dealer:</b>	
Dealer's License	\$ 65.00
<b>Pesticide Applicators:</b>	
	\$ 35.00
<b>Examination Fee</b>	
<b>Commercial Firms</b>	
Commercial License	\$100.00
Equipment Decal	\$ 20.00 /equipment
Custom-Applicator's Permit	\$150.00
Custom/Tree Injector Operator-In-Charge (OIC)	\$ 50.00 /OIC
Custom Equipment Decal	\$ 50.00 /equipment
Custom Equipment Inspection	\$ 25.00 /equipment
Tree Injector Custom-Applicator's Permit	\$ 70.00
<b>Individual Applicators</b>	
Certified Applicator License (Commercial/Non-Commercial)	\$ 35.00 /category
Commercial Pilot Authorization	\$ 35.00
Custom Pilot Authorization	\$ 35.00
Commercial Applicator Technician License	\$ 25.00
<b>Private Applicators</b>	
1-Year License	\$ 10.00
5-Year License	\$ 45.00
<b>Enforcement:</b>	
2,4-D Hardship Permit	\$100.00
Dicamba Permit	\$100.00

#### FEED AND FERTILIZER DIVISION

Activity (Feed and Fertilizer Division)	Fee
<b>Soil Amendments:</b>	
Registration (per brand)	\$ 25.00
Inspection/Tonnage Fee	\$ 0.375 /ton \$ 1.00 penalty per day
Tonnage Report Fee	\$ 2.40 /ton or fractional ton

Feed Facility License	\$ 0.30 /ton, \$ 10.00 quarterly tonnage fee (min.
Fertilizer Registration (per brand)	\$ 25.00
Application	\$ 50.00
<b>PLANT INDUSTRY DIVISION</b>	
<u>Activity (Plant Industry Division)</u>	<u>Fee</u>
Nursery License without inspection fee	\$ 10.00
Limited Nurseryman License	\$ 75.00
Nurseryman, including inspection fee	
Level I	\$150.00
Level II	\$300.00
Level III	\$450.00
Level IV	\$600.00
Nursery Cert. Tags (each)	\$ 0.15
Nursery Dealer (and Agents), including inspection fees	
Level I	\$150.00
Level II	\$300.00
Level III	\$450.00
Nursery Landscape Contractor, including inspection fees	
Level I	\$150.00
Level II	\$300.00
Level III	\$450.00
Horticultural Advice Certificate	\$ 1.00
Inspecting Strawberry Plants (Certified):	
Application Fee	\$ 50.00
Inspection Fee (per 1/4 acre)	\$ 2.00
Certification Tags (each)	\$ 0.15
Reinspection (per acre)	\$ 2.00
Boll Weevil Annual Assessment (per acre)	\$ 15.00 - \$ 35.00 (based on year and zone)
Ginseng Nursery Certificate	\$ 25.00
Inspecting Strawberry Plants (Uncertified):	
Application fee	\$ 25.00
Inspection Fee (per 1/4 acre)	\$ 1.50
Inspecting Turf Grass (Certified):	
Pre-Plant Inspection (per trip)	\$ 25.00
Acreage (first 10 acres)	\$500.00
Additional acre (each)	\$ 12.00
Application Fee/Variety vegetatively propagated turfgrasses (each)	\$ 20.00
Re-inspection	\$50.00 /trip
Inspecting Sweet Potato Plants (Certified):	
Inspection Fee	\$ 10.00
plus per square foot	\$ 0.02
Certification Labels (each)	\$ 0.15
Inspecting Sweet Potato Plants (Uncertified):	

<u>Activity (Plant Industry Division)</u>	<u>Fee</u>
Inspection Fee	\$ 10.00
plus per square foot	\$ 0.02
Inspecting Sweet Potatoes from Sweet Potato Weevil Areas:	\$10.00
Inspection Fee:	/acre
Fumigated Potatoes (per bushel)	\$ 0.05
Unfumigated Potatoes (per bushel)	\$ 0.05
Inspecting Sweet Potato Seeds (Certified):	
Inspection Fee	\$ 25.00
plus per square foot	\$ 6.00
Certification Labels (each)	\$ 0.15
Inspecting Vegetable, Garden, Truck, and Strawberry Plants:	
In-State Inspection Fee:	
per sq. ft. or flat	\$ 0.20
box, crate, or basket (each)	\$ 0.50
Minimum Fee	\$ 20.00
Out-of-state Plants:	
Box, crate, or basket	\$ 0.50
Minimum Fee	\$100.00
Permits for plants brought into state under special permission	\$0.50
Reinspecting Plants (Nursery or Vegetable):	
Extra Trip:	
First 1/2 day per inspector	\$ 30.00
Addl. hours each inspector	\$ 10.00
Issuing Phytosanitary Certificates:	
Issuing Fee	\$ 15.00
Sampling Fee	\$ 7.50
<b>PEST CONTROL SECTION</b>	
<u>Activity (Pest Control Section)</u>	<u>Fee</u>
Non Commercial Certificates:	
Per Certificate	\$ 70.00
License Holder License:	
0-30 Registered Agents	\$100.00
31-60 Registered Agents	\$250.00
61 or More Registered Agents	\$500.00
Commercial Applicator License:	
Applicators First Classification	\$150.00
Each Additional Classification	\$100.00
Maximum per Applicator	\$300.00
Registering Agents and Solicitors:	
Each	\$ 30.00
Examinations:	\$100.00
Agent Exam	\$ 30.00
Reporting:	
Each building on which a Class 1 structural pest contract is issued	\$ 5.00
Late Fee	\$ 10.00
Each first 5 building treated by new Class 1 license	\$ 20.00
Inspection (each building treated for Class 1 structural pest found not in compliance):	

Activity (Pest Control Section)	Fee
First Notice	\$ 50.00
Second Notice	\$100.00
Third Notice	\$500.00
Herbicide Tolerance Test (soybean)	Roundup \$ 23.00, STS \$ 25.00

#### DIVISION OF SEEDS

Activity (Division of Seeds)	Fee
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	\$ 8.00 /each
addl. component	
Bag-To-Bag Germination Test on Cotton:	\$ 0.50 /bag
Priority Sample	\$ 25.00
Purity First	\$ 1.00
Tetrazolium Test	\$ 15.00
Add'l Analysis Reports	\$ 1.00
Registered Seed Technologist License to Analyze Soybeans for Certification:	\$ 25.00
Inspection Fee for Seed Found Mislabeled:	\$ 15.00
Official Sample Analyses	\$ 0.10 /hundred
Vigor Test (cotton, soybeans, & wheat)	\$ 12.00
Vigor Test (garden beans)	\$ 12.00
Varietal test	\$ 12.00
Germination/Purity of Bluestem	\$ 50.00 complete
Purity/Germination Only	\$ 40.00
Handling and Mailing (non-certified seed samples)	\$ 3.00
Sampling (non-certified seed)	\$ 15.00
Seed Dealer/Labeler License	\$250.00
*\$0.10 per 100 lb. if sold under tonnage reporting system on all seed sold non-certified. (Seed Certification Permit is not needed if a Seed Dealers License has been obtained)	

\$100.00

Activity (Division of Seeds)	Fee
Seed Certification Permit (for applicants with 100 acres or less, only allowed to sell bagged and tagged certified seed)	
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
Promotional Fee	\$0.10 /acre
Inspection Fee Per Acre:	
Rice	\$ 2.25
Other	\$ 1.50
Processing Plant Inspection Fee	\$ 15.00
First Re-inspection Fee (fields)	½ acreage fee
Second Re-inspection Fee (fields)	acreage fee
Charge Per Hour, Over Two (2) Hours (when inspecting processing plants)	\$ 10.00
Inspection of Treating Equipment Only	\$ 7.50 /per trip
Printed pressure-sensitive labels (each)	\$ 0.10
Printed pressure-sensitive labels for approved reusable bulk containers (per 50 lbs)	\$ 0.08
Blank tags/labels – less than 5000 (each)	\$ 0.10
Blank tags/labels – more than 5000 (each)	\$ 0.05
Company-printed Blue Tag bags	\$ 0.08 /bag
Approved Reusable containers (such as Q-bit)	\$ 0.08 per 50 lbs
Approved Reusable Superbag	\$ 0.08 per bushel
Bulk Wheat sold on Bulk Certificates	\$ 0.08 per bushel
Bulk Wheat Certificates (3-part forms)	\$ 0.08 per certificate
Extra Inspections:	
Seed Treating Equipment (up to two hours, \$10.00 each additional hour)	\$ 7.50 per trip
Seed Processing Plant (up to two hours, \$10.00 each additional hour)	\$15.00 per trip
Isolation	\$25.00 per trip
1st Re-inspection	One-half of acreage fee

#### INDUSTRIAL HEMP PROGRAM

Refer to 11.9

#### Exemptions:

None

#### History:

State Plant Board Income Sources from Fees

Act 414 of 1917: Vegetable Plants and Strawberries

Set by Law: None

Set by Regulations: Inspection fees

Act 414 of 1917: Microscopy

Set by Law: None  
Set by Regulations: Analysis fees

Act 414 of 1917: Commercial Seed

Set by Law: None  
Set by Regulations: All fees

Nursery Fraud Act of 1919: Horticultural Advice (2-21-101;  
2-21-103)

Set by Law: License  
Set by Regulations: None

Nursery Fraud Act of 1919: Nurserymen and Dealers (2-21-101;  
2-21-103)

Set by Law: License  
Set by Regulations: Inspection fees

Agricultural Products Grading Act of 1925: Fruit, Vegetable,  
and Product Grading (2-20-101;2-20-113)

Set by Law: None  
Set by Regulations: All fees

Act 73 of 1931: Seed Certification

Set by Law: None  
Set by Regulations: All fees

Act 106 of 1951: Fertilizer

Set by Regulations: Brand Registration - Penalties

Act 389 of 1975: Agricultural Applicators

Set by Law: None  
Set by Regulations: All fees

Act 389 of 1975: Hormone Herbicides

Set by Law: None  
Set by Regulations: All fees

Act 410 of 1975: Pesticides

Set by Law: None  
Set by Regulations: Registration fee

Act 488 of 1975: Commercial Pest Control

Set by Law: None  
Set by Regulations: License, Reporting,  
Inspection, and Prior Approval fees

Act 377 of 1977: Soil Amendments

Set by Law: Tonnage fee  
Set by Regulations: Registration fee

Act 609 of 1987: Agricultural Consultant

Set by Law: Maximum Fee: fifty dollars (\$50.00)  
Set by Regulation: Amount of fee

Act 955 of 1991 authorized the Plant Board to establish by regulation fees to be paid in advance by growers of certified seed. The Board must seek the advice of the Joint Interim Committee on Agriculture and Economic Development before increasing fees.

Act 1473 of 2003 established the authority that the State Plant Board may assess a civil penalty of not more than one thousand dollars (\$1,000) for any violation of statute, rule, or order enforceable by the Board.

Act 1449 of 2005 established a commercial bait and ornamental fish program and may prescribe fees for certification and regulation of commercial bait and ornamental fish.

Act 601 of 2015 created the Arkansas Grain Dealers Act.

Act 981 of 2017 provided for the cultivation of industrial hemp in Arkansas, created a research program to assess the agricultural and economic potential of industrial hemp production in this State, and placed rules and oversight under the State Plant Board.

Act 140 of 2019 authorized the State Plant Board to establish and collect fees to administer the industrial hemp research program.

Act 565 of 2021 repealed the Arkansas Industrial Hemp Act and established the Arkansas Industrial Hemp Production Act. The act required the Department of Agriculture to develop a plan to monitor and regulate the industrial hemp production program in the state and to submit the state plan to the United States Secretary of Agriculture. The act required the State Plant Board to adopt rules to implement the act and address the licensure, records, inspection and sampling, testing, reporting, transportation, and eligibility to participate related to the industrial hemp.

**Revenues Generated:**

Fiscal Year		
Ending June 30	Amount	%Change
2013	\$ 7,390,084	1.02
2014	\$ 7,449,659	0.81
2015	\$ 7,468,804	0.26
2016	\$ 7,823,857	4.75
2017	\$ 8,119,600	3.78
2018	\$ 8,442,313	3.97
2019	\$ 8,104,099	(4.01)
2020	\$ 8,621,122	6.38
2021	\$ 9,280,046	7.64
2022	\$ 9,475,058	2.10
2023	\$ 8,930,455	(5.75)
2024	\$ 10,119,789	13.32

**Distribution of Tax:**

Special revenues to be credited to the Plant Board Fund

**Administered by:**

State Plant Board

**Cite:**

Arkansas Code (1987) 2-15-201; 2-15-501 et seq.; 2-16-105; 2-16-206; 2-16-308; 2-16-407; 2-17-206; 2-18-105; 2-20-101 et seq.; 2-21-108; 2-24-104; 4-18-329; 17-13-108; 17-37-107; 17-37-211; 19-6-301 (46-55) (122) (169) (225); 19-6-408; 20-20-205

## 8.19. PLUMBERS LICENSES AND FEES

Plumbers licenses and fees are collected by the State Board of Health and remitted to the State Treasury to the credit of the Plumbers Licensing Fund.

### Rate and Base:

The State Board of Health, by rule and after public hearings, may set reasonable license or examination fees for all licenses including, but not limited to, master plumber licenses, journeyman plumber licenses, apprentice plumber registration, gas utility licenses, and restricted 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.
3. Minor repairs consisting of repairing minor working parts of plumbing, fixtures, or the removal of stoppages.
4. Individuals certifying or repairing backflow devices within the scope of a plumbing system, if the individuals hold a certificate of competency from the Department of Health Plumbing and Natural Gas Program.
5. The construction, installation, maintenance, repair, renovation, or removal of a storm sewer system not connected to a sanitary sewer 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 ..... \$25.00
2. Master plumber's license ..... \$25.00
3. Renewal of master plumber's license ..... \$25.00
4. Journeyman plumber's examination ..... \$ 5.00
5. Journeyman plumber's license..... \$ 5.00
6. Renewal of journeyman plumber's license ..... \$ 5.00
7. Temporary permits for master plumber ..... \$50.00
8. Journeyman plumber which would also cover examination fee and license fee for one (1) year. .... \$10.00

Act 55 of 1963 amended Act 200 of 1951 and established the following fees:

1. Master plumber's examination ..... \$60.00
2. Master plumber's license ..... \$60.00
3. Renewal of master plumber's license ..... \$60.00
4. Journeyman plumber's examination ..... \$25.00
5. Journeyman plumber's license..... \$12.00
6. Renewal of journeyman plumber's license ..... \$12.00

7. Temporary permits for master plumber..... \$60.00
8. Journeyman plumber which would also cover examination fee and license fee for one (1) year..... \$40.00
9. Apprentice registration..... \$ 3.00  
for each renewal..... \$ 3.00

Act 902 of 1975 amended Act 200 of 1975 and empowered the State Board of Health to set the licenses and fees.

Act 1217 of 2003 created additional exemptions.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 727,636	(2.11)
2014	\$ 720,547	(0.97)
2015	\$ 724,952	0.61
2016	\$ 732,236	1.00
2017	\$ 720,882	(1.55)
2018	\$ 734,004	1.82
2019	\$ 752,764	2.56
2020	\$ 722,019	(4.08)
2021	\$ 747,640	3.55
2022	\$ 883,048	18.11
2023	\$ 780,967	(11.56)
2024	\$ 805,429	3.13

### 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) 17-38-205; 17-38-302; 17-38-305;17-38-201

## 8.20. PRIVATE INVESTIGATORS/ PRIVATE SECURITY AGENCIES FEES

The Director of the Division of the Arkansas State Police collects all fees and issues all licenses for private investigators, private security agencies, alarm system entities, polygraph examiners, and voice stress examiners. The revenue is deposited as special revenue to the credit of the Division of Arkansas State Police Fund.

### Rate and Base:

#### Polygraph Examiners

1. Initial license – two (2) years..... \$120.00
2. Intern license – one (1) year ..... \$ 30.00
3. Duplicate license..... \$ 15.00
4. Renewal license – two (2) years ..... \$ 50.00
5. Renewal intern license – six (6) months ..... \$ 25.00
6. Wallet sized ID ..... \$ 15.00
7. Late fee if expired less than six (6) months ..... \$ 20.00

#### Voice Stress Analysis Examiners

1. Initial license – two (2) years..... \$120.00
2. Duplicate license..... \$ 10.00
3. Renewal license – two (2) years ..... \$ 50.00
4. Wallet sized ID ..... \$ 15.00
5. Late fee if expired less than six (6) months ..... \$ 20.00

#### Private Investigators and Private Security Agencies

Application fee:

Type	Initial	Renewal
1. Alarm systems agent, apprentice, technician, or monitor credential	\$ 40	\$ 40
2. Class A license	\$ 600	\$300
3. Class B license	\$ 600	\$300
4. Class C license	\$ 850	\$500
5. Class D license	\$ 300	\$150
6. Class E-M license	\$ 600	\$300
7. Class E Restricted license	\$ 600	\$300
8. Class E-S license	\$ 600	\$300
9. Class E Unrestricted license	\$ 600	\$300
10. Class G license	\$1,200	\$600
11. Security guard credential	\$ 40	\$ 40
12. Credentialed private investigator	\$ 450	\$150

Replacement credential or commission photo ID ..... \$ 5.00

Duplicate wall-mounted license..... \$10.00

Late Renewal fee:

1. Class A license ..... \$150.00
2. Class B license ..... \$150.00
3. Class C license ..... \$250.00
4. Class D license ..... \$ 75.00
5. Class E license, any version ..... \$150.00
6. Class G license ..... \$300.00

Transfer fee:

7. Alarm systems agent, apprentice, technician, or monitor credential..... \$ 20.00
8. Credentialed private investigator..... \$ 75.00

### Exemptions:

#### Polygraph Examiners

A certified law enforcement officer who is a full-time employee of a law enforcement agency and who is applying for a polygraph examiner license or an intern polygraph examiner license for use solely in connection with his or her employment with the law enforcement agency.

#### Voice Stress Analysis Examiners

A certified law enforcement officer who is a full-time employee of a law enforcement agency and who is applying for his or her license as a certified voice stress analysis examiner to be used solely in conjunction with his or her employment.

#### Private Investigators and Private Security Agencies

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 part time or 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
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
6. A licensed attorney in performing his or her duties, or an employee of an attorney only in connection with providing investigative services to the attorney and his or her practice.
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, 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 professional engineer registered with the State Board of Licensure for Professional Engineers and Professional Surveyors engaged in providing investigative services as outlined in this chapter.
10. A person who or business which sells or manufactures alarm systems, unless such person or business performs any service as an alarm systems company.
11. Installation, servicing, or responding to fire alarm systems or any alarm device which is installed in a motor vehicle, aircraft, or boat.
12. Installation of an alarm system on property owned or leased to the installer.
13. Installation of fixed fire extinguisher systems by persons licensed by the Fire Extinguisher Board.
14. Installation of the raceways, conductors, or components by an entity holding a valid Arkansas Contractor's license, electrical classification, when the systems are furnished by alarm systems companies licensed by Arkansas, provided they furnish a system to comply with codes and standards, furnish the specifications and diagrams, provide periodic inspections, connect and install the system, instruct the system owner, and provide operator manuals.
15. Alarm system agents, alarm system apprentices, and alarm systems technicians for a class E-S license are exempt from the requirements for National Burglar and Fire Alarm Association Level 1 and 2 certification.
16. An agent, employee, or sales representative of an alarm systems company who does not alter, install, maintain, move, repair, replace, service, or reconfigure an alarm system or any individual component connected to an alarm system at an end-user's premises; and is not granted access to passwords or codes that can be used to arm or disarm the alarm system installed at a specific end-user premises.
17. A certified public accountant licensed by the State performing his or her duties only in connection with providing investigative services and all employees, independent contractors, or agents acting under the supervision of a certified public accountant licensed by the state, only in connection with providing investigative services to the certified public accountant and his or her practice.
18. Installation of a device (an electrical, electronic, or mechanical alarm signal device, burglar alarm, television camera, or still camera used to manually or automatically signal or detect a burglary, an act of breaking and entering, shoplifting, pilferage, theft, a holdup, or other illegal or unauthorized activity) that is on property owned or leased by a person monitoring the device, however a technician who is installing a device is required to submit to a state and national criminal background check to be conducted by the Identification Bureau of the Division of Arkansas State Police and the Federal Bureau of Investigation.

The security department of a private business or school hires or employs an individual in the capacity of a commissioned security officer or commissioned school security officer, the security department of the private business or school is not required to make application to the Department of Arkansas State Police for any license under this chapter. However, the private business or school is required to be recognized by the Director of the Department of Arkansas State Police as a private business or school for the purpose of employing the commissioned security officer or commissioned school security officer.

Employees of a licensee who are employed exclusively as undercover agents are not required to register with the director.

**History:**

Act 447 of 1965 established the Investigator Licensing Board and authorized the following fees:

1. Application fee ..... \$ 25.00
2. Filing fee for Private Investigating Agency ..... \$100.00
3. Filing fee for Private Investigator ..... \$ 50.00
4. Filing fee for Private Detective ..... \$ 50.00

Act 413 of 1967 provided for the licensing of polygraph examiners and set the following fees:

1. Polygraph Examination Fee ..... \$ 20.00
2. Polygraph Examiner License ..... \$ 60.00
3. Internship License ..... \$ 30.00
4. Polygraph Examiner Duplicate License ..... \$ 10.00
5. Polygraph Examiner License Renewal..... \$ 25.00
6. Internship License Renewal ..... \$ 25.00
7. Duplicate Internship License..... \$ 10.00

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 ..... \$25.00
2. Security Guard Annual License ..... \$ 2.00

Act 429 of 1977 repealed Act 447 of 1965 and Act 605 of 1973 and established the following fees:

1. Class A original license.....\$200.00
2. Renewal of Class A license .....\$150.00
3. Class B original license .....\$200.00
4. Renewal of Class B license .....\$150.00
5. Class C original license .....\$200.00
6. Renewal of Class C license .....\$200.00
7. Delinquency fee from.....\$ 10.00  
to \$ 25.00
8. Application for a security officer commission .....\$ 2.00
9. Original registration fee for  
private investigators, managers .....\$ 75.00  
for each annual renewal registration .....\$ 50.00
10. Registration fee for private security officers .....\$ 10.00  
for each annual renewal .....\$ 10.00

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 ..... \$ 20.00
2. Voice stress examiner license ..... \$ 60.00
3. Voice stress examiner license renewal ..... \$ 25.00
4. Voice stress examiner duplicate license..... \$ 10.00

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 provided 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 increased 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, added a felonious violation if within one (1) year of a previous violation of the chapter, further defined license classes, and authorized the board to set fees.

Act 1216 of 2013 amended the qualifications for polygraph examiners, and changed associated fees to:

1. Original two-year license fee ..... \$120.00
2. Internship license ..... \$ 30.00
3. Duplicate license..... \$ 15.00
4. Renewal two-year license ..... \$ 50.00
5. Renewal Internship license ..... \$ 25.00
6. Wallet size photo ID ..... \$ 15.00

Act 1472 of 2013 modified the qualifications and conduct requirements for voice stress analysis examiners. Added and increased fees for voice stress analysis examiners:

1. Original two-year license..... \$120.00
2. Renewal two-year license ..... \$ 50.00
3. Wallet size photo ID ..... \$ 15.00

Act 393 of 2015 abolished the Arkansas Board of Private Investigators and Private Security Agencies and transferred its duties and powers to the Arkansas State Police.

Act 910 of 2019 renamed the Department of Arkansas State Police to the Division of Arkansas State Police.

Act 660 of 2021 created an exemption for the installation of a device on property owned or leased by a person monitoring the device.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 432,275	(10.64)
2014	\$ 415,882	(3.79)
2015	\$ 434,440	4.46
2016	\$ 552,719	27.23
2017	\$ 411,927	(25.47)
2018	\$ 493,505	19.80
2019	\$ 398,845	(19.18)
2020	\$ 467,940	17.32
2021	\$ 444,485	(5.01)
2022	\$ 506,006	13.84
2023	\$ 463,083	(8.48)
2024	\$ 502,819	8.58

**Distribution of Tax:**

Special revenues for credit to the Division of Arkansas State Police Fund

**Administered by:**

The Director of the Division of Arkansas State Police

**Cite:**

Arkansas Code (1987) 17-39-107; 17-39-207; 17-39-305; 17-40-103; 17-40-209; 17-40-302; 17-39-305



## 8.21. PRIVATE CAREER EDUCATION

In consultation with the State Board of Private Career Education, the Division of Higher Education shall set fees for schools and admissions representations. The Division of Higher Education issues licenses to those schools that meet the standards.

### Rate and Base:

School license fee - set by the Division of Higher Education in consultation with the State Board of Private Career Education.

Solicitor & representative license fee - set by the Division of Higher Education in consultation with the State Board of Private Career Education.

School renewal fee - set by the Division of Higher Education in consultation with the State Board of Private Career Education.

### Exemptions:

1. Private institutions exclusively offering instruction at any or all levels from preschool through twelfth (12<sup>th</sup>) 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. State colleges and universities coordinated by the Arkansas Higher Education Coordinating Board;
4. Programs of study offered by institutions or individuals for personal improvement, whether vocational or recreational, if designated through media or other sources, as not for the purpose of enhancing an occupational objective;
5. Schools operated solely to provide programs of study in theology, divinity, religious education, and ministerial training;
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 the employee;
7. A program of study sponsored by a recognized trade, business, or professional organization for instruction of the members of the organization with a closed membership and for which no fee is charged the member;
8. A school or educational institution supported by State or local government taxation;
9. Flight instructors and flight instruction schools licensed under appropriate Federal Aviation Administration regulations and offering only training for a private pilot's license;
10. Schools covered by § 6-61-301 (a)(3) and exempt from § 6-61-101 et. seq.;
11. Training offered by other Arkansas State agencies, boards, or commission;
12. Training offered on military bases where a majority of the students enrolled are active duty personnel or their adult family members, United States Department of Defense civilian employees or their adult family members, members of the United States Armed Forces reserve components, and retirees;

13. Certified nurse aide or certified nursing assistant training programs:
  - (A) Whose underlying majority ownership has ownership of five (5) or more nursing facilities licensed by the Office of Long-Term Care; and
  - (B) That are under the regulatory oversight of the office; and
14. Schools located outside the state that:
  - (A) Offer education or training outside the state; and
  - (B) Do not participate in distance learning.

### History:

Act 906 of 1989 established the State Board of Private Career Education and established its duties and powers.

Act 565 of 2017 transferred the State Board of Private Career Education to the Department of Higher Education by a type 2 transfer and amended the powers and duties of the State Board of Private Career Education.

Act 755 of 2017 exempted certified nurse aid or certified nursing assistant training programs.

Act 755 of 2019 exempted schools located outside of Arkansas that offer education or training outside of Arkansas and do not participate in distance education from the law concerning private resident and correspondence schools; assessed a fee on newly licensed private resident and correspondence schools regardless of the balance in the Private Career School Student Protection Trust Fund; allowed amounts in the Private Career School Student Protection Trust Fund over two hundred thousand dollars (\$200,000) to be used for certain purposes; and prioritized the funding of veterinary medicine student loans at Mississippi State University College of Medicine.

Act 910 of 2019 renamed the Department of Higher Education as the Division of Higher Education.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 333,341	11.20
2014	\$ 302,073	(9.38)
2015	\$ 311,420	3.09
2016	\$ 293,899	(5.63)
2017	\$ 228,621	(22.21)
2018	\$ 181,722	(20.51)
2019	\$ 214,604	18.09
2020	\$ 170,402	(20.60)
2021	\$ 192,807	13.15
2022	\$ 215,856	11.95
2023	\$ 200,349	(7.18)
2024	\$ 217,257	8.44

### 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:

Division of Higher 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 two-fifths (2/5) of one percent (1%) of the gross earnings of each utility.

Other fees charged by the Commission:

1. Two hundred dollars (\$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 thirty-five thousand dollars (\$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, ten cents (10¢) per folio; for certified copies of official documents and orders filed in its office, fifteen cents (15¢) per folio and one dollar (\$1.00) for each certificate under seal affixed thereto; for certifying a copy of any report made by a public utility, two dollars (\$2.00); for each certified copy of the annual report of the Commission, one dollar and fifty cents (\$1.50); for certified copies of evidence and proceedings before the Commission, fifteen cents (15¢) per folio; for certificate authorizing an issue of bonds, notes or other evidence of indebtedness, one dollar (\$1.00) for each one thousand dollars (\$1,000) of the face value of the authorized issue or fraction thereof up to one million dollars (\$1,000,000), and fifty cents (50¢) for each one thousand dollars (\$1,000) over one million dollars (\$1,000,000) and up to ten million dollars (\$10,000,000), and twenty-five cents (25¢) for each one thousand dollars (\$1,000) over ten million dollars (\$10,000,000), with a minimum fee in any case of fifty dollars (\$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 two dollars (\$2.00) for each one thousand dollars (\$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 two-fifths (2/5) of one percent (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, two dollars and fifty cents (\$2.50);
2. For filing each annual report of any public utility, five dollars (\$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, five dollars (\$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: one dollar (\$1.00) for each one thousand dollars (\$1,000) of the issue up to one million dollars (\$1,000,000) and fifty cents (50¢) for each one thousand dollars (\$1,000) over one million dollars (\$1,000,000) and up to ten million (\$10,000,000), and twenty-five cents (25¢) for each one thousand (\$1,000) over ten million dollars (\$10,000,000) with a minimum fee of ten dollars (\$10.00). 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, ten cents (10¢) per folio;
6. For certified copies of official documents and orders filed in its office, fifteen cents (15¢) folio;
7. One dollar (\$1.00) for every certificate under seal affixed thereto;
8. For certifying a copy of any report made by a corporation to the Department, two dollars (\$2.00);
9. For each certified copy of the annual report of the Department, one dollar and fifty cents (\$1.50);
10. For certified copies of evidence and proceedings before the Department, fifteen cents (15¢) per folio.

Act 40 of 1945 established the present utility assessment fee based on gross earnings.

Act 742 of 1989 provided that the Public Service Commission shall charge a fee of two hundred dollars (\$200) for the filing of each application for a Certificate of Public Convenience. This Act also authorized the Commission to set the fees for copying and certifying the copy of any filed document.

Act 1050 of 2015 established a fifteen thousand dollar (\$15,000) annual permit fee to operate a transportation network company in the State.

Act 263 of 2021 modified the procedure for collection of surcharges to fund the Telecommunications Equipment Fund.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 9,443,458	0.85
2014	\$ 8,722,104	(7.64)
2015	\$ 8,513,873	(2.39)
2016	\$ 8,357,619	(1.84)
2017	\$ 8,553,601	2.44
2018	\$ 8,349,537	(2.39)
2019	\$ 8,462,808	1.36
2020	\$ 8,630,280	1.98
2021	\$ 8,413,486	(2.51)
2022	\$ 8,361,363	(0.62)
2023	\$ 9,808,036	17.30
2024	\$ 9,440,150	(3.75)

**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 pipeline safety inspection program. The Commission deposits the funds collected in the State Treasury.

**Rate and Base:**

1. The annual assessment fee shall be levied and charged in an amount which shall be equivalent to that proportion of the total pipeline safety program's costs that each natural gas pipeline transporter's, owner's, or operator's miles of natural gas pipeline in Arkansas, not including service lines in distribution systems, bear to the total number of miles of natural gas pipeline in Arkansas of all natural gas pipeline transporters, owners, or operators.
2. Each natural gas transporter, owner, or operator of natural gas pipeline facilities totaling fewer than fifty (50) miles shall pay an annual assessment fee equal to fifteen ten-thousandths (.0015) times the total cost of operating the pipeline safety program of the commission for the assessment year.
3. The assessment fee authorized for the pipeline safety program, shall be in addition to any assessment fee authorized by § 23-3-110. This annual assessment, together with any assessment fee charged under § 23-3-110, shall not exceed the fee to be collected annually from each of the utilities of two-fifths (2/5) of one percent (1%) of the gross earnings of each respective utility.

**Exemptions:**

None

**History:**

Act 285 of 1971 authorized the Public Service Commission to administer the Natural Gas Pipeline Safety Act and established the inspection fee of two-fifths (2/5) of one percent (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 (3") equivalent pipeline miles within Arkansas and provided that the fees should be credited to the Public Service Commission Utility Safety Fund.

Act 793 of 1991 provided for additional fees to be collected.

Act 778 of 1993 amended the annual fees assessed.

Act 766 of 2001 modified the rate charged for natural gas pipeline facilities of less than fifty (50) miles.

Act 1343 of 2013 changed the date used for pipeline miles reported in the calculation of assessment fees.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 446,047	(31.54)
2014	\$ 664,358	48.94
2015	\$ 535,246	(19.43)
2016	\$ 10,562	(98.03)
2017	\$ 618,652	4,857.34
2018	\$ 7,245	(98.83)
2019	\$ 23,868	229.44
2020	\$ 752,326	3,052.03
2021	\$ 714,144	(5.08)
2022	\$ 206,089	(71.14)
2023	\$ 640,171	210.63
2024	\$ 104,790	(83.63)

**Distribution of Tax:**

Special revenues for credit to the Public Service Commission Utility Safety Fund

**Administered by:**

Public Service Commission

**Cite:**

Arkansas Code (1987) 23-3-110; 23-15-214; 23-15-216

## 8.24. REGULATED SUBSTANCE STORAGE TANK

No person shall install or operate an aboveground or underground storage tank without first registering with or being licensed by the Division of Environmental Quality.

### Rate and Base:

License fee of installer is set by regulation.

Annual tank registration fee for storage tank – seventy-five dollars (\$75.00)

Late fee – five dollars (\$5.00)

Contractor Licensing – three hundred dollars (\$300)

Individual Licensing – one hundred fifty dollars (\$150)

Re-examination Fee – twenty-five dollars (\$25.00)

License Renewal Fees:

Contractor – three hundred dollars (\$300)

Individual – one hundred fifty dollars (\$150)

Late Fee – twenty-five dollars (\$25.00)

### Exemptions:

Does not apply to the installation, repair, upgrade, or closure of wastewater treatment tanks, sumps, underground storage tanks containing radioactive waste, electrical equipment tanks, hydraulic lift tanks, and underground storage tanks with a capacity of one hundred ten gallons (110 gals.).

Does not apply to the installation, repair, upgrade, or closure of any underground storage tank systems holding hazardous wastes that are listed or identified under the Resource Conservation and Recovery Act of 1976, as amended, or the Arkansas Hazardous Waste Management Act of 1979, as amended.

### History:

Act 172 of 1989 established the Regulated Substance Storage Tank Program and established the current fees.

Act 594 of 1991 provided that ten dollars (\$10.00) of the thirty-five dollar (\$35.00) annual registration fee shall be credited to the State Police Fund for monitoring above ground storage tanks.

Act 810 of 1993 provided for an annual registration fee not to exceed fifty dollars (\$50.00) for both above ground and underground storage tanks. Also, ten dollars (\$10.00) of the annual fee is credited to the State Police Fund.

Act 193 of 2005 authorized alternative forms of financial assurances for licensed installers and testers of underground storage tanks.

Act 671 of 2005 increased the annual registration fee for underground and above ground storage tanks up to seventy-five dollars (\$75.00).

Act 910 of 2019 substituted Division of Environmental Quality for Arkansas Department of Environmental Quality and substituted Division of Arkansas State Police Fund for Department of Arkansas State Police Fund.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 665,440	(1.58)
2014	\$ 637,720	(4.17)
2015	\$ 631,672	(0.95)
2016	\$ 625,907	(0.91)
2017	\$ 611,850	(2.25)
2018	\$ 596,227	(2.55)
2019	\$ 507,210	(14.93)
2020	\$ 614,583	21.17
2021	\$ 657,784	7.03
2022	\$ 652,238	(0.84)
2023	\$ 574,005	(11.99)
2024	\$ 595,765	3.79

### Distribution of Tax:

Special Revenues – ten dollars (\$10.00) per tank deposited into the Division of Arkansas State Police Fund; other funds deposited into the Regulated Substance Storage Tank Program Fund

### Administered by:

Fees set by the Arkansas Pollution Control and Ecology Commission and licenses issued by the Division of Environmental Quality

### 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	\$ 50.00
2. Application for use of indistinguishable name	No fee
3. Application for reserved name	\$ 25.00
4. Notice of transfer of reserved name	\$ 25.00
5. Application for registered name	\$ 50.00
6. Application for renewal of registered name	\$ 25.00
7. Amendment of articles of incorporation	\$ 50.00
8. Restatement of articles of incorporation with amendment of articles	\$100.00
9. Articles of merger or share exchange	\$100.00
10. Articles of dissolution	\$ 50.00
11. Articles of revocation of dissolution	\$150.00
12. Certificate of administrative dissolution	No fee
13. Application for reinstatement following administrative dissolution	\$ 50.00
14. Certificate of reinstatement	No fee
15. Certificate of judicial dissolution	No fee
16. Application for certificate of authority	\$300.00
17. Application for amended certificate of authority	\$300.00
18. Application for certificate of withdrawal	\$300.00
19. Certificate of revocation of authority to transact business	No fee
20. Articles of correction	\$ 30.00
21. Application for certificate of existence or authorization	\$ 15.00
22. Application of domestic corporation to change domicile	\$ 50.00
23. Application of foreign corporation to move domicile to Arkansas	\$300.00
24. Any other document required or permitted to be filed by this chapter	\$ 25.00

The Secretary of State shall collect a fee of twenty-five dollars (\$25.00) 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. The Secretary of State shall collect the following fees for copying, at the rate of fifty cents (50¢) per page, and certifying at the rate of five dollars (\$5.00) per certificate the copy of any filed document relating to a domestic or foreign corporation.

Documents delivered by electronic means	Fees	Process Fee
1. Articles of incorporation	\$40.00	\$5.00
2. Application for reservation of corporate name	\$18.50	\$4.00
3. Certificate of amendment (new code-no shares exchanged)	\$40.00	\$5.00

Documents delivered by electronic means	Fees	Process Fee
4. Notice of transfer of reserved name	\$ 18.50	\$ 4.00
5. Certificate of amendment (new code-shares exchanged)	\$ 80.00	\$10.00
6. Certificate of amendment	\$ 40.00	\$ 5.00
7. Notice of change of registered office or agent or both	No fee	
8. Application for registration of fictitious name (old code)	\$ 18.50	\$ 4.00
9. Application for fictitious name for domestic corporation	\$ 18.50	\$ 4.00
10. Application for certificate of authority	\$258.00	\$12.00

For any document not listed above, the cost for electronic filing is:

When the filing fee is:	Fees
\$0 to \$50	\$ 4.00
\$51 to \$99	\$ 5.00
\$100 to \$299	\$10.00
\$300 or more	\$12.00

#### Corporation Fees (§ 4-27-1705)

Document	Fees
1. Articles of incorporation	\$ 50.00
2. Amendment to articles of incorporation	\$ 50.00
3. Articles of merger or consolidation	\$100.00
4. Articles of dissolution	\$ 50.00
5. Application for fictitious name	\$ 25.00
6. Application for reserved name	\$ 25.00
7. For any other filing under this chapter with annexed certificate	\$ 25.00
8. For any certificate pursuant to pursuant to Section 4-26-106 or Section 4-26-207 or any other certificate	\$ 25.00
9. For furnishing a certified copy of any document ...	50¢ per page and \$5.00 for the certificate thereto
10. For receiving service of process on behalf of a corporation	\$ 25.00
11. For receiving service of process on behalf of individuals	\$ 10.00

Notary Public Commission – twenty dollars (\$20.00) for a period of ten (10) years (§ 21-14-101)

Foreign Limited Partnership Filing Fee – three hundred dollars (\$300) (§ 4-47-1301)

Domestic Limited Partnership Filing Fee – fifty dollars (\$50.00) initial fee and a fee not to exceed fifteen dollars (\$15.00) for any other filing (§ 4-47-1301)

Institutions of Learning Charter Filing Fee – set by Secretary of State's Office (§ 6-2-108)

#### Limited Liability Company Fees (§ 4-38-1104)

Document	Fees
1. Certificate of organization	\$ 50.00
2. Application for use of indistinguishable name	\$ 25.00

Document	Fees
3. Application for reserved name	\$ 25.00
4. Notice of transfer of reserved name	\$ 25.00
5. Amendment of certificate of organization	\$ 25.00
6. Restatement of certificate of organization with amendment of certificate of organization	\$ 25.00
7. Articles of merger or share exchange	\$ 50.00
8. Articles of dissolution	\$ 50.00
9. Certificate of judicial dissolution	No fee
10. Application for certificate of authority by foreign limited liability company	\$ 300.00
11. Application for certificate of authority by foreign limited liability company	\$ 300.00
12. Application for certificate of withdrawal by foreign limited liability company	\$ 50.00
13. Certificate of revocation of authority to transact business	No fee
14. Articles of correction	\$ 30.00
15. Application for certificate of existence or authorization by domestic limited liability company	\$ 300.00
16. Annual report	No fee
17. Registration of foreign name	\$ 50.00
18. Any other document required or permitted to be filed by this chapter	\$ 25.00
19. Application of foreign limited liability company to move domicile to Arkansas	\$ 300.00

The Secretary of State shall collect a fee of twenty-five dollars (\$25.00) 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. The Secretary of State shall collect the following fees for copying, at the rate of fifty cents (50¢) per page, and certifying at the rate of five dollars (\$5.00) per certificate the copy of any filed document relating to a domestic or foreign limited liability company.

Documents delivered by electronic means	Fees	Process Fee
1. Certificate of organization for domestic limited liability company	\$ 40.00	\$ 5.00
2. Certificate of amendment to certificate of organization for a domestic limited liability company	\$ 18.50	\$ 4.00
3. Application for reservation of limited liability company name	\$ 18.50	\$ 5.00
4. Notice of transfer of reserved name	\$ 18.50	\$ 4.00
5. Application for certificate of registration of foreign limited liability company	\$ 258.00	\$ 12.00
6. Application for amended certificate of authority by foreign limited liability company	\$ 258.00	\$ 12.00
7. Application for fictitious name for foreign limited liability company	\$ 18.50	\$ 4.00

Documents delivered by electronic means	Fees	Process Fee
8. For any other document not listed when the filing fee is zero dollars (\$0.00) to fifty dollars (\$50.00)		\$ 4.00
9. For any other document not listed when the filing fee is fifty-one dollars (\$51.00) to ninety-nine dollars (\$99.00)		\$ 5.00
10. For any other document not listed when the filing fee is one hundred dollars (\$100.00) to two hundred ninety-nine dollars (\$299.00)		\$ 10.00
11. For any other document not listed when the filing fee is three hundred dollars (\$300.00) or more		\$ 12.00

#### Nonprofit Corporation Filing Fees (§ 4-33-122)

Document	Fees
1. Articles of incorporation	\$ 50.00
2. Application for use of indistinguishable name	No fee
3. Application for reserved name	\$ 25.00
4. Notice of transfer of reserved name	\$ 25.00
5. Application for registered name	\$ 50.00
6. Application for renewal of registered name	\$ 25.00
7. Amendment of articles of incorporation	\$ 50.00
8. Restatement of articles of incorporation with amendments	\$100.00
9. Articles of merger	\$100.00
10. Articles of dissolution	\$ 50.00
11. Articles of revocation of dissolution	\$150.00
12. Certificate of administrative dissolution	No fee
13. Application for reinstatement following administrative dissolution	\$ 50.00
14. Certificate of reinstatement	No fee
15. Certificate of judicial dissolution	No fee
16. Application for certificate of authority	\$300.00
17. Application for amended certificate of authority	\$300.00
18. Application for certificate of withdrawal	\$300.00
19. Certificate of revocation of authority to transact business	No fee
20. Articles of correction	\$ 30.00
21. Application for certificate of existence or authorization	\$ 15.00
22. Any other document required or permitted to be filed by this chapter	\$ 25.00

The Secretary of State shall collect a fee of twenty-five dollars (\$25.00) 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. The Secretary of State shall collect the following fees for copying, at the rate of fifty cents (50¢) per page, and certifying, at the rate of five dollars (\$5.00) per certificate, the copy of any filed document relating to a domestic or foreign corporation.

Documents delivered by electronic means	Fees	Process Fee
1. Articles of incorporation for domestic nonprofit corporation	\$ 40.00	\$ 5.00
2. Certificate of amendment of a nonprofit corporation	\$ 40.00	\$ 5.00
3. Articles of dissolution of a nonprofit corporation	\$ 40.00	\$ 5.00
4. Notice of change of registered office or agent or both	No fee	
5. Application for foreign nonprofit corporation seeking to do business in Arkansas	\$258.00	\$12.00

For any document not listed above, the cost for electronic filing is:

When the filing fee is:	Fees
\$0 to \$50	\$ 4.00
\$51 to \$99	\$ 5.00
\$100 to \$299	\$10.00
\$300 or more	\$12.00

Professional Corporation Registration Fee – twenty-five dollars (\$25.00) plus ten dollar (\$10.00) annual renewal fee (§ 4-29-210)

Uniform Commercial Code Filing Fees (§ 4-9-525)

For filing and indexing the initial financing statement and termination statements: records filed with the Secretary of State are sixteen dollars (\$16.00) for first page, records filed with the Circuit clerks are twelve dollars (\$12.00) for the first page, and for additional pages a fee of fifty cents (50¢) per page up to one hundred dollars (\$100).

1. The fee for filing a continuation – six dollars (\$6.00)
2. The fee for filing a termination statement, if it pertains to the filing of a financial statement before July 28, 1995 – six dollars (\$6.00)
3. The fee for each separate search – six dollars (\$6.00)
4. The fee for filing an assignment – six dollars (\$6.00)
5. The fee for filing a release – six dollars (\$6.00)
6. The fee for filing an amendment – six dollars (\$6.00)
7. The fee for issuing a certificate or copy of any record on file:
  - o One page record – six dollars (\$6.00)
  - o Each additional page – fifty cents (50¢)

Trademark Registration Fee – fifty dollar (\$50.00) filing and renewal fee each five (5) years (§ 4-71-203) (§ 4-71-206)

Assignment of mark – twenty dollars (\$20.00) (§ 4-71-207)

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 – five dollars (\$5.00)
2. For every commission issued to a citizen of another state -ten dollars (\$10.00)
3. For every commission issued to a State Officer other than prosecuting attorneys - fifteen dollars (\$15.00)
4. For every commission issued to prosecuting attorneys - fifteen dollars (\$15.00)

5. For every commission issued to sheriff, collector, clerk, county judge, treasurer, assessor, coroner or surveyor - ten dollars (\$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 – five dollars (\$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 - eighty cents (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 one dollar (\$1.00) per hour for the time employed in making the same.

Cooperative Marketing Association Filing Fee – five dollars (\$5.00) and for filing an amendment, two dollars and fifty cents (\$2.50) (§ 2-2-410)

Rural Telephone Cooperative Fees – ten dollars (\$10.00) for filing articles of incorporation; filing for an amendment, ten dollars (\$10.00); filing articles of consolidation, ten dollars (\$10.00); and filing a Certificate of Dissolution, one dollar (\$1.00) (§ 23-17-226)

Agricultural Cooperatives Association – annual license fee, ten dollars (\$10.00); articles of incorporation, five dollars (\$5.00) and two dollars and fifty cents (\$2.50) for filing an amendment (§§ 2-2-123; 2-2-124)

Rural Electrification Corporation – filing fees, ten dollars (\$10.00); ten dollars (\$10.00) for articles of amendment; ten dollars (\$10.00) for articles of consolidation; one dollar (\$1.00) for articles of dissolution, and an annual license fee of ten dollars (\$10.00) for each one hundred (100) members (§§ 23-18-326; 23-18-329)

Transportation Companies Incorporation Fees – one hundred dollars (\$100) on all lines not exceeding twenty-five (25) miles; on lines exceeding twenty-five (25) miles, four dollars (\$4.00) per mile for every additional mile (§ 23-11-102) and (§ 23-11-220) amendment to articles of incorporation fee – five dollars (\$5.00)

Express, Sleeping Car and Private Car Incorporation Fees – one dollar (\$1.00) per mile for every mile of railroad over which such companies propose to do business in Arkansas. (§ 23-11-102)

Video Service Filing Fee – one thousand five hundred dollars (\$1,500) application filing fee for issuance of a certificate of franchise authority, one hundred dollars (\$100) fee for amendments. (§ 23-19-204)

### **Exemptions:**

None

### **History:**

Act 17 of 1874 established notary public commissions.

Act 77 of 1875 established commissions and miscellaneous fees.

Act 132 of 1883 established trademark registration fee.



Act 87 of 1911 established transportation companies incorporation fees.

Act 87 of 1911 established express, sleeping car, and private car incorporation fees.

Act 87 of 1911 established mutual corporation incorporation fees.

Act 375 of 1911 established institutions of learning charter filing fee.

Act 116 of 1921 established cooperative marketing association filing fee.

Act 255 of 1931 established domestic corporation fees.

Act 342 of 1937 established rural electrification cooperative fees.

Act 153 of 1939 established agricultural cooperative association fee.

Act 187 of 1939 established foreign corporation fees.

Act 253 of 1959 established a professional fund raiser registration fee.

Act 253 of 1959 established a professional solicitor registration fee.

Act 185 of 1961 established uniform commercial code fees.

Act 155 of 1963 established a professional corporation registration fee.

Act 588 of 1979 established a foreign limited partnership filing fee.

Act 657 of 1979 established a domestic limited partnership filing fee.

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 – thirty dollars (\$30.00)
2. Confirmation of filing of a financial statement – ten dollars (\$10.00)
3. Annual list of buyers, merchants and sellers of farm products – one hundred dollars (\$100)

Act 1068 of 1987 increased various corporate filing fees. The Act shall cease to be effective on and after January 1, 1988.

Act 958 of 1987, also known as the “Arkansas Business Corporation Act,” contained the same corporate filing fee increases as Act 1068 and became effective on and after January 1, 1988.

Act 285 of 1989 increased various fees charged for certain services of the Secretary of State under Arkansas Code Annotated § 21-6-202.

Act 304 of 1989 increased the notary public commission fee to twenty dollars (\$20.00).

Act 373 of 1989 required persons possessing a machine gun which uses a pistol cartridge of thirty (.30 in.) 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 required persons soliciting athletes to enter into professional sports services contracts to register with the Secretary of State and pay a registration fee of one hundred dollars (\$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 fundraisers and solicitors from the Secretary of State to the Attorney General’s Office.

Act 1549 of 2001 prevented filings with the Secretary of State’s Office if franchise taxes are owed.

Act 1181 of 2001 repealed Act 373 of 1989.

Act 1473 of 2003 provided 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 (\$12.00) 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 provided central filing with the Secretary of State for agricultural liens and security interest and provided filing fees and distribution of filing fees.

Act 276 of 2013 established 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 allowed 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 clarified procedure for remitting to the Treasurer of State certain fees associated with the Uniform Commercial Code.

Act 1028 of 2015 removed the limit on the per page fee under § 4-9-525.

Act 1041 of 2021 repealed the Small Business Entity Tax Pass Through Act and established the Uniform Limited Liability Company Act, which was amended by Acts No. 2 and 12 of 2021 (2<sup>nd</sup> Ex. Sess.) because of an effective date issue.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 3,437,661	1.31
2014	\$ 3,689,408	7.32
2015	\$ 3,701,918	0.34
2016	\$ 4,265,167	15.22
2017	\$ 4,615,357	8.21
2018	\$ 4,311,638	(6.58)
2019	\$ 4,181,009	(3.03)
2020	\$ 4,584,199	9.64
2021	\$ 5,347,599	16.65
2022	\$ 5,343,732	(0.07)
2023	\$ 5,241,534	(1.91)
2024	\$ 5,306,031	1.23

**Distribution of Tax:**

Special revenues for credit to the State Central Services Fund and the County Voting System Grant Fund.

**Administered by:**

The Secretary of State

**Cite:**

Arkansas Code (1987) 4-38-101 et seq. See 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 one-tenth percent (0.1%) of offering by the issuer, but shall not exceed two thousand dollars (\$2,000) or be less than one hundred fifty dollars (\$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. One-tenth (1/10) of one percent (1%) of the maximum aggregate offering price, but no less than twenty-five dollars (\$25.00) or more than five hundred dollars (\$500). (§ 23-42-504)
2. A flat fee of fifty dollars (\$50.00) or one hundred dollars (\$100).

	Fees
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<u>Broker-Dealers (23-42-304):</u>	
Initial Registration or Renewal	\$300.00
Exempt reporting advisor	\$300.00
Investment advisor to a private fund	\$300.00
Branch office	\$ 50.00
<u>Agent (23-42-304):</u>	
Initial Registration or Renewal	\$ 75.00
<u>Investment Adviser (23-42-304):</u>	
Initial Registration or Renewal	\$300.00
Representative Initial Registration	\$ 75.00
<u>Mortgage Loan Banker, Broker, or Servicer (23-39-505):</u>	
Initial Registration	\$750.00
Annual Renewal Registration (23-39-506)	\$350.00
Change of control of license	\$100.00
Failure to notify of change of control	\$100.00
<u>Mortgage Loan Branch Office (23-39-505 and 506):</u>	
Initial Registration and Renewal	\$100.00
Annual Renewal Registration	\$100.00
Branch Office	\$ 50.00
<u>Loan Officer (23-39-505 and 506)</u>	
Initial Registration and Renewal	\$ 50.00
Late renewal fee	\$100.00
Change of status of loan officer license	\$ 50.00
Change of control of license	\$100.00
Failure to notify of change of control	\$100.00
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Commissioner's Examination of Books and Records

Mortgage Loan Companies (§ 23-39-514): Not to exceed one hundred fifty dollars (\$150) per day; Issuers, Broker-Dealers, or Registered Advisers (§ 23-42-306): Not to exceed one hundred fifty dollars (\$150) per day.

Sale of Rules and Regulations (§ 23-42-206): Fee set by Securities Department. No fees for rules.

Sale of Arkansas Securities Act: Fee set by Securities Department. 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 ten dollars (\$10.00). 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 – eighty dollars (\$150.00) each examiner day or part thereof. In addition, each credit union shall pay the actual travel, meals, and lodging expenses of each examiner from Little Rock and return. The fee will be prorated if more than one (1) 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 five dollars (\$5.00). (§ 23-35-302)

	Fees
<u>Savings and Loan Associations</u> (23-37-107)	
Application for Charter	\$1,500.00
Protest to an Application for Charter - Each	\$1,000.00
Petition for Rehearing of Charter Application	\$ 750.00
Annual Fee - Assessment Basis is Utilized	\$ 250.00
	to \$5,000.00
Extraordinary Examination - Services of Examiner, Maximum/day + actual travel expenses from Little Rock and return	\$ 100.00
Request for Special Meeting of Board	\$1,500.00
Application for Branch Office	\$ 250.00

	Fees
Protest to an Application for Branch Office/Protest	\$ 500.00
Protest to an Application for Branch Office/Applicant	\$ 250.00
Petition for Rehearing of Branch Application	\$ 750.00
Filing and Approving by Law Amendment of Articles of Incorporation	\$ 25.00
Filing a Petition for Conversion and Verified Minutes Evidencing a Conversion or Plan of Merger or Consolidation	\$ 250.00
Filing a Certificate of Dissolution	\$ 100.00
Filing a Copy of a Charter of a Federal Savings and Loan	\$ 50.00
Each Regular Examination by an Authorized Examiner plus actual travel expenses from Little Rock and return	\$ 50.00 /day
Issuing of Annual Renewal of Broker's License	\$ 500.00
<u>Money Transmission and Currency Exchange Licenses</u>	
(23-55-202, 23-55-206, 23-55-402, 23-55-404)	
Non-refundable application fee	\$1,500.00
License Fee/Renewal	\$ 350.00
	to \$ 750.00
Services of Examiner, Maximum per Day Plus travel expenses (23-55-601)	\$ 150.00
Change of Control (23-55-604)	\$1,000.00

**Exemptions:**

Exemptions under the Securities Act:

Securities exempt 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.

2. 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;

3. 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;
4. 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;
5. 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;
6. Any security of a world-class foreign issuer that meets the qualifications as set forth by rule of the commissioner;
7. 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;
8. 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
9. 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 subdivision (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.

Transactions Exempt under the Securities Act:

- 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 or 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, as it existed on January 1, 2011, unless:

- i. The issuer of the security is a unit investment trust registered under the Investment Company Act of 1940, as it existed on January 1, 2011;
- 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 dated within the past eighteen (18) months or, in the case of a reorganization or merger of parties with audited balance sheets dated within the past eighteen (18) months showing total assets of at least two million dollars (\$2,000,000), 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:
  - A. By an issuer to a person in a state other than this State if that offer or sale would be lawful if made in the other state; or

- B. 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.
2. Money transmission by the United States Postal Service or by a contractor on behalf of the United States Postal Service;
  3. A state, county, city, or any other governmental agency or governmental subdivision of the State;
  4. A bank, bank holding company, office of an international banking corporation, branch of a foreign bank, corporation organized pursuant to the Bank Service Company Act, or corporation organized under the Edge Act, under the laws of a State or the United States if it does not issue, sell, or provide payment instruments, stored value, or prepaid access through an authorized delegate that is not such a person;
  5. Electronic funds transfer of governmental benefits for a federal, state, county, or governmental agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or a State or governmental subdivision, agency, or instrumentality thereof;
  6. A board of trade designated as a contract market under the federal Commodity Exchange Act, or a person that, in the ordinary course of business, provides clearance and settlement services for a board of trade to the extent of its operation as or for such a board;
  7. A registered futures commission merchant under the federal commodities laws to the extent of its operation as such a merchant;
  8. A person that provides clearance or settlement services pursuant to a registration as a clearing agency or an exemption from such registration granted under the federal securities laws to the extent of its operation as such a provider;
  9. An operator of a payment system to the extent that it provides processing, clearing, or settlement services, between or among persons excluded by this section, in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, similar funds transfers, or prepaid access;
  10. A person registered as a securities broker-dealer under federal or State securities laws to the extent of its operation as such a broker-dealer; or
  11. A credit union regulated and insured by the National Credit Union Administration.

Exemptions under the Fair Mortgage Lending Act:

“Exempt persons” includes any of the following:

1. An employee of a licensee whose responsibilities are limited to clerical and administrative tasks for his or her employer and who does not solicit borrowers, accept applications, or negotiate the terms of loans on behalf of the employer;
2. An agency or corporate instrumentality of the federal government or any state, county, or municipal government granting mortgage loans under specific authority of the laws of any state or of the United States;

Exemptions under the Uniform Money Services Act:

1. The United States or a department, agency, or instrumentality thereof;

3. A trust company or industrial loan company chartered under the laws of Arkansas;
4. A small-business investment corporation licensed under the Small Business Investment Act of 1958, 15 U.S.C. § 661 et seq., as it existed on January 1, 2011;
5. A real estate investment trust as defined in 26 U.S.C. § 856, as it existed on January 1, 2011;
6. A state or federally chartered bank, an operating subsidiary of a state-chartered bank regulated by the State Bank Department, a savings bank, a savings and loan association, or a credit union, the accounts of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration;
7. An agricultural loan organization that is subject to licensing, supervision, or auditing by the Farm Service Agency, Commodity Credit Corporation, Rural Development Housing & Community Facilities Programs, Farm Credit Administration, or the United States Department of Agriculture;
8. A nonprofit corporation that:
  - a. Qualifies as a nonprofit entity under § 501(c)(3) of the Internal Revenue Code;
  - b. Is not primarily in the business of soliciting or brokering mortgage loans; and
  - c. Makes or service mortgage loans to promote home ownership or home improvements for the disadvantaged;
9.
  - a. A licensed real estate agent or broker who is performing those activities subject to the regulation of the Arkansas Real Estate Commission.
  - b. Notwithstanding subdivision (9)(B)(ix)(a) of this section, “exempt person” does not include a real estate agent or broker who receives compensation of any kind in connection with the referral, placement, or origination of a mortgage loan;
10. Person who engages in seller-financed transactions or who as a seller of real property receives mortgages, deeds of trust, or other security instruments on real estate as security for a purchase money obligation if:
  - a. The person does not receive from or hold on behalf of the borrower any funds for the payment of insurance or taxes on the real property; and
  - b. The seller does not sell the liens or mortgages in the secondary market other than to affiliated or subsidiary persons;
11. An individual or husband and wife who provide funds for investment in loans secured by a lien on real property on his or her or their own account and who do not:
  - a. 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
  - b. Collect funds to be used for the payment of any taxes or insurance premiums on the property securing the loans;
12. An attorney licensed in Arkansas rendering legal services to his or her client, when the conduct that would subject the attorney to the jurisdiction of this subchapter is ancillary to the provision of the legal services offered;
13. A person performing any act under order of any court;
14. A person acting as a mortgage broker, mortgage banker, or mortgage servicer for any person located in Arkansas, if the mortgage broker, mortgage banker, or mortgage servicer has no office or employee in Arkansas and the real property that is the subject of the mortgage is located outside of Arkansas;
15. An officer or employee of an exempt person described in subdivisions (9)(B)(ii)-(xiv) of this section if acting in the scope of employment for the exempt person; and
16. A manufactured home retailer and its employees if performing only administrative or clerical tasks in connection with the sale or lease of a manufactured home and the manufactured home retailer and its employees receive no compensation or other gain from a mortgage banker or a mortgage broker for the performance of the administrative or clerical tasks.

**History:**

Act 214 of 1913, also known as the “Blue Sky Law,” provided for the regulation and supervision of investment companies.

The following Acts established the following fees:

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 also known as the “Arkansas Securities Act” –

1. Filing fee of one-tenth (1/10) of one percent (1%) of the securities offered for sale – one hundred fifty dollars (\$150) maximum, twenty-five dollars (\$25.00) minimum
2. Examination fee of ten dollars (\$10.00) per day plus expenses
3. Dealers inspection fee – fifty dollars (\$50.00)
4. Dealers renewal fee – twenty-five dollars (\$25.00)
5. Agents registration fee – two dollars (\$2.00)
6. Actual cost of furnishing copies of information regarding any investment company
7. Certificate of Authentication – fifty cents (50¢)

Act 109 of 1931 amended Act 354 of 1927 and established the following fees:

1. Agents permits – ten dollars (\$10.00)
2. Dealers or brokers fees – two hundred fifty dollars (\$250)
3. Dealers or brokers renewal fee – two hundred fifty dollars (\$250)

Act 264 of 1933 amended Act 354 of 1927 and Act 109 of 1931 and established the following fees:

1. Agents permits – five dollars (\$5.00)
2. Dealers fees reduced to one hundred dollars (\$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 one-twentieth (1/20) of one percent (1%) of the amount of securities to be offered for sale with a maximum fee of two hundred fifty dollars (\$250) and a minimum of twenty-five dollars (\$25.00)
2. Filing fees for registration of securities by notification if securities are listed on a responsible stock exchange or are a resale of securities – two hundred dollars (\$200)
3. Filing fee for registration of securities by qualification of one-tenth (1/10) of one percent (1%) with a maximum of two hundred fifty dollars (\$250) and a minimum of twenty-five dollars (\$25.00)
4. Renewal of a registration or qualification - filing fee of ten dollars (\$10.00), except for securities involving a continuous offering, which shall require an annual renewal fee of one hundred dollars (\$100)
5. Examination fee of any issuer or dealer – fifteen dollars (\$15.00) per day plus expenses
6. Dealers registration fee – one hundred dollars (\$100)
7. Examination of industrial banks – fifteen dollars (\$15.00) per day plus expenses
8. Information supplied by Commissioner - cost of preparing such information and fifty cents (50¢) for each certificate of authentication
9. Fee for filing a semi-annual statement of condition of each issuer – two dollars and fifty cents (\$2.50)
10. Agents fee – five dollars (\$5.00)
11. Fee for permit when issuer deemed insolvent – one hundred dollars (\$100).

Act 254 of 1959 repealed Act 397 of 1947 and imposed the following fees:

1. Broker-dealer initial registration fee – two hundred fifty dollars (\$250) and renewal fee – one hundred dollars (\$100)
2. Agents initial registration fee – twenty-five dollars (\$25.00) and renewal fee – ten dollars (\$10.00)
3. Investment adviser initial registration fee – one hundred fifty dollars (\$150) and renewal fee – seventy-five dollars (\$75.00)
4. Fee for filing a registration statement – one-twentieth (1/20) of one per cent (1%) of the offering with a maximum of one thousand dollars (\$1,000) and a minimum of twenty-five dollars (\$25.00).

Act 248 of 1961 amended Act 254 of 1959 and imposed the following fees:

1. Loan broker license or mortgage loan company license – one hundred dollars (\$100) annually
2. Examination of records – twenty-five dollars (\$25.00) per day plus expenses
3. Examination fee for agents – five dollars (\$5.00)
4. Examination fee for broker-dealer – ten dollars (\$10.00)
5. Filing fee for reports – five dollars (\$5.00) quarterly
6. Filing fee for proof of exemption – ten dollars (\$10.00).

Act 47 of 1973 amended Act 254 of 1959 and changed the following fee:

Fee for filing a registration statement – one-tenth (1/10) of one percent (1%) of the offering with a maximum fee of seven hundred fifty dollars (\$750) and a minimum of one hundred dollars (\$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 – two hundred fifty dollars (\$250), and renewal registration fee – one hundred fifty dollars (\$150)
2. Broker-dealer who is registered with the Securities and Exchange Commission (SEC) and who is also a member of the National Association of Securities Dealers (NASD) – three hundred dollars (\$300) for initial registration and one hundred fifty dollars (\$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 – five hundred dollars (\$500) for initial registration and three hundred dollars (\$300) for renewal registration.
3. Agent – fifty dollars (\$50.00) for initial registration and twenty-five dollars (\$25.00) for renewal registration.
4. Investment adviser who is registered with the SEC – three hundred dollars (\$300) for initial registration and one hundred fifty dollars (\$150) for renewal registration; and in the case of an investment adviser who is not registered with the SEC – five hundred dollars (\$500) for initial registration and three hundred dollars (\$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 – one hundred dollars (\$100) per day plus expenses.
6. Examination fees - Agent – fifteen dollars (\$15.00), broker-dealer and investment adviser – twenty-five dollars (\$25.00)
7. Filing fee for proof of exemption – one hundred dollars (\$100) minimum or five hundred dollars (\$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.

Annual fee of one-fiftieth (1/50) of one percent (1%) of the gross amount of the assets with a minimum fee of twenty-five dollars (\$25.00) and a maximum of four hundred dollars (\$400)

Initial fee of two hundred fifty dollars (\$250)



Fee for an increase of capital stock – one-fifth (1/5) of one percent (1%) of the authorized increase with a minimum fee of twenty-five dollars (\$25.00) and a maximum fee of one hundred dollars (\$100)

Fee for amending bylaws – ten dollars (\$10.00)

Annual agents license – two dollars (\$2.00)

Examination fee – fifteen dollars (\$15.00) per day plus expenses for each examiner

Certificate of authority for a foreign association to do business in this State – two hundred fifty dollars (\$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 one thousand (10,000) population – two hundred fifty dollars (\$250)
  - b. for an association in a city of more than ten thousand (10,000) population and less than fifty thousand (50,000) – five hundred dollars (\$500)
  - c. for an association in a city of more than fifty thousand (50,000) population – one thousand dollars (\$1,000).
2. Filing and approving an amendment to bylaws or articles of incorporation – twenty-five dollars (\$25.00).
3. An annual fee, payable at the time the annual report of the association is filed, equal to:
  - a. Two hundred fifty dollars (\$250) for each one million dollars (\$1,000,000) of assets, or fraction thereof, up to two million dollars (\$2,000,000);
  - b. One hundred dollars (\$100) for each one million dollars (\$1,000,000) of assets, or fraction thereof, over two million dollars (\$2,000,000) and less than five million dollars (\$5,000,000);
  - c. Fifty million dollars (\$50,000,000) for each one million dollars (\$1,000,000) of assets, or fraction thereof, over million five dollars (\$5,000,000).
4. For each extraordinary examination ordered by the Board, twenty-five dollars (\$25.00) 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 four hundred dollars (\$400) in any one (1) year.
5. For filing a petition for conversion and verified minutes evidencing a conversion or plan of merger or consolidation, a fee of two hundred fifty dollars (\$250).
6. For filing a certificate of dissolution, a fee of one hundred dollars (\$100).
7. For filing a copy of a charter of a federal savings and loan association – fifty dollars (\$50.00).

8. The Supervisor is authorized, at his discretion, to charge a fee not to exceed twenty dollars (\$20.00) 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 two dollars and fifty cents (\$2.50) plus two dollars (\$2.00) 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 five hundred dollars (\$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, one thousand dollars (\$1,500).
2. For filing a protest to an application for charter, one thousand dollars (\$1,000) from each protestant.
3. For filing a petition for rehearing, seven hundred fifty dollars (\$750).
4. An annual fee, payable at the time of the annual report of the association, as follows:
  - a. Two hundred fifty dollars (\$250) for each one million dollars (\$1,000,000) of assets, or fraction thereof, up to two million dollars (\$2,000,000).
  - b. One hundred dollars (\$100) on each one million dollars (\$1,000,000) of assets, or fraction thereof, over two million dollars (\$2,000,000) and less than five million dollars (\$5,000,000).
  - c. Fifty dollars (\$50.00) on each one million dollars (\$1,000,000) of assets, or fraction thereof, over five million dollars (\$5,000,000).
5. For each extraordinary examination ordered by the Board, a fee of one hundred dollars (\$100) per 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, one thousand five hundred dollars (\$1,500).
7. For each examination of an association by an authorized examiner from the office of the Supervisor, fifty dollars (\$50.00) per 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, two hundred fifty dollars (\$250).
9. For filing a protest to an application for a branch office or other service facility, five hundred dollars (\$500) from each protestant.
10. Upon filing of one or more protests, two hundred fifty dollars (\$250) from the applicant.

11. For filing a petition for rehearing, seven hundred fifty dollars (\$750).

Act 124 of 1965 - Sale of Checks provided the following fees:

1. Initial investigation fee ..... \$100.00
2. Annual license fee ..... \$100.00
3. Annual fee for each location..... \$ 5.00
4. Semi-annual report..... \$ 10.00
5. Examination fee ..... \$ 50.00  
plus expenses

Act 875 of 1975 amended Act 124 of 1965 and increased the annual license fee to two hundred fifty dollars (\$250).

Act 806 of 1977 - Mortgage Loan Companies provided the following fees:

1. Initial registration fee – two hundred fifty dollars (\$250)
2. Annual renewal fee – one hundred fifty dollars (\$150)
3. Examination fee – one hundred dollars (\$100) per 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 created the Security Department Fund. The Acts also increased 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 created the Fair Mortgage Lending Act and provided 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 – seven hundred fifty dollars (\$750)
2. Loan Officers – fifty dollars (\$50.00)
3. Surety Bonds:
  - a. Mortgage Banker, Mortgage Server – one hundred thousand dollars (\$100,000)
  - b. Mortgage Broker – fifty thousand dollars (\$50,000)

Act 759 of 2003 placed a limit of one million dollars (\$1,000,000) during any one (1) 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 1595 of 2007 repealed the Sale of Checks Act. Created the Uniform Money Services Act.

Act 534 of 2009 amended the Arkansas Securities Act to add a branch office fee and increase examination fees to \$150.

Act 731 of 2009 amended the Fair Mortgage Lending Act, added fee of \$100 for each branch office of a mortgage broker, mortgage banker, or mortgage servicer, a fee of \$100 for proposed change

of control of a licensee, and failure to timely renew of \$100 for mortgage banker, mortgage broker, or mortgage servicer.

Act 438 of 2013 limited the amount that can be deposited into the Securities Department Fund to four million dollars (\$4,000,000) each fiscal year.

Act 460 of 2013 clarified the rights and duties of parties to securities transactions and amended funding for Securities Department Fund.

Act 111 of 2019 revised various fees under the Uniform Money Services Act.

Act 533 of 2021 amended the Arkansas Securities Act and added a filing fee for an exempt reporting advisor (\$300) and an investment advisor to a private fund (\$300).

Act 576 of 2021 removed issuing of Annual Renewal of Broker's License (\$500).

Act 325 of 2023 amended the Fair Mortgage Lending Act and added a fee of \$50.00 for change of loan officer license from approved-inactive to approved.

Act 475 of 2023 transferred the administrative functions of the State Securities Department to the State Bank Department.

**Revenues Generated:**

**General Revenues**

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 14,431,194	7.21
2014	\$ 12,383,107	(14.19)
2015	\$ 13,447,209	8.59
2016	\$ 13,734,732	2.14
2017	\$ 13,675,631	(0.43)
2018	\$ 15,677,222	14.64
2019	\$ 16,382,470	4.50
2020	\$ 13,014,358	(20.56)
2021	\$ 14,397,196	10.63
2022	\$ 16,132,990	12.06
2023	\$ 16,639,698	3.14
2024	\$ 16,715,687	0.46

**Special Revenues**

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 1,997,000	17.34
2014	\$ 3,951,799	97.89
2015	\$ 4,054,925	2.61
2016	\$ 3,998,050	(1.40)
2017	\$ 3,994,632	(0.09)
2018	\$ 2,498,650	(37.45)
2019	\$ 2,498,510	0.01
2020	\$ 5,505,618	120.36
2021	\$ 5,951,398	8.10
2022	\$ 6,259,587	5.18
2023	\$ 6,724,811	7.43
2024	\$ 6,734,296	0.14

**Distribution of Tax:**

General Revenues and Special Revenues (twenty-five dollars [\$25.00] from the Agent and Investment Advisor registration rates)

**Administered by:**

Securities Department

**Cite:**

See Rate and Base

**8.27. ARKANSAS DEPARTMENT OF TRANSPORTATION**

The Arkansas Department of Transportation 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 to regulate transportation motor carriers. The fee collected from each of the carriers cannot exceed two-fifths (2/5) of one percent (1%) of the gross revenues in Arkansas of each carrier. Intrastate motor carriers pay an annual registration of insurance fee of five dollars (\$5.00) for each bus, truck, or truck-tractor used by the carrier and a fee of fifty dollars (\$50.00) for a certificate of public convenience and necessity.

The application for the transfer of a certificate or permit is accompanied by a fee of fifty dollars (\$50.00).

One-half (1/2) 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 (2/5) of one percent (1%) 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, 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. 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.
2. 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 (6) 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.
3. 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.

4. 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, apply to:

a. 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 outside 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 State Highway 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.

b. 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.

5. Motor vehicles controlled and operated by an agricultural cooperative association as defined in § 2-2-101 et seq. and §§ 2-2-201, 2-2-202, and 22-4-401—2-2-428 or any similar act of another state or by the United States Agricultural Marketing Act, as amended, or by a federation of such cooperative associations, if the federation possesses no greater powers or purposes than cooperative associations so defined.

6. Motor carriers of property, except household goods carriers. Provided, the motor carriers of property shall be subject to all safety of operation and equipment standards provisions prescribed by the commission. Provided, further, all motor carriers of property shall be subject to the provisions of

§§ 23-13-252 and 23-13-265 and all rules and regulations made and promulgated by the commission with respect to financial fitness and insurance requirements.

7. The transportation of passengers by private or public motor carrier either under contract or by cooperative agreement with the State of Arkansas when the transportation is provided exclusively in connection with, or as a result of, federally or State-funded assistance programs serving the public need.

8. The transportation of passengers in a private vehicle with a maximum seating capacity of fifteen (15) passengers, including the driver, provided the transportation is for the purpose of vanpooling or carpooling.

9. The following vehicles transporting the following products are exempt but subject to the safety and equipment standards of the 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 five percent (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) Carcasses, cut up, raw;
- 6) Carcasses, cut up, precooked or cooked;
- 7) Carcasses, breaded and/or battered;
- 8) Carcasses, cut up, precooked or cooked, marinated, breaded, or battered;
- 9) Carcasses, de-boned, cooked or uncooked;
- 10) Carcasses, 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 and milk, 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 and 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, ethylene glycol antifreeze, gasoline, diesel, liquefied petroleum gas, kerosene, aviation gasoline, and jet fuel.
  - d. Transportation of passengers regulated by the commission.
10. Commercial motor vehicles that have a gross vehicle weight rating, gross combination weight rating, gross vehicle weight or gross combination weight of twenty-six thousand pounds (26,000 lbs) or less. The exemption does not apply if the vehicle transports hazardous materials or is designed to transport more than 15 passengers.

## 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, also known as “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 (2%) of the gross amount received by carriers from all fares and charges.

Act 62 of 1929 amended Act 99 of 1927 and required a twenty-five dollars (\$25.00) permit fee to be licensed as a common carrier and raised the privilege tax to three percent (3%) of all fares and charges.

Act 367 of 1941 established the following fees:

1. Certificate of public convenience and necessity – twenty-five dollars (\$25.00)
2. Contract carrier permit – twenty-five dollars (\$25.00)

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 two-fifths (2/5) of one percent (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 fifty dollars (\$50.00) and the permits for contract carriers to fifty dollars (\$50.00) and added a fee of fifty dollars (\$50.00) for an application for a transfer of a certificate or permit. Act 397 also levied a fee of six dollars (\$6.00) for each truck and ten dollars (\$10.00) for each carrier of passengers. Penalties for violating the provisions of Act 397 were one hundred dollars (\$100) to five hundred dollars (\$500) for credit to the Commission Fund and one-half (1/2) 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 twenty-five dollars (\$25.00) for temporary authority for a period not exceeding ninety (90) days.

Act 343 of 1957 reduced the fee for each bus or truck to five dollars (\$5.00) annually.

Act 468 of 1977 required the twenty-five dollar (\$25.00) fee for a carrier to operate in interstate commerce who had not previously filed an application with the commission and a fee of ten dollars (\$10.00) if the carrier had previously filed an application.

The fees, permits and fines in effect presently were levied by the following Acts:

1. Act 262 of 1949 - Annual fee
2. Act 262 of 1949 - Rail carrier fees
3. Act 397 of 1955 - Certificate of public convenience and necessity
4. Act 397 of 1955 - Forfeited bonds and fines
5. Act 397 of 1955 - Temporary permit
6. Act 397 of 1955 - Transfer of a Certificate
7. Act 343 of 1957 - Annual fee for each bus and truck
8. Act 191 of 1961 - Permits for contract carriers
9. Act 468 of 1977 - Interstate permit

Act 572 of 1987 combined the Highway Safety Program and the Transportation Commission into the Transportation Safety Agency.

## 8.28. VETERINARY EXAMINERS BOARD FEES

Act 153 of the First (1<sup>st</sup>) 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.

Act 1027 of 1993 provided for an annual fee of five dollars (\$5.00) for the registration of insurance from each common or contract carrier operating in the State.

Act 1362 of 2013 ensured compliance with Act 1159 of 2011.

Act 299 of 2015 authorized State Highway Commission officers to enforce BWI.

Act 1 of 2016 (3<sup>rd</sup> Extraordinary Session) required the State Highway Commission to propose and submit rules to the Highway Commission Review and Advisory subcommittee of the Legislative Council for review concerning criteria for distribution of funds and the distribution of funds from the state Highway and Transportation Department Fund and Road and Bridge Repair, Maintenance, and Grants Fund and spending priority designated for highway construction contracts and public road construction projects.

Act 389 of 2021 amended the exemptions to the Arkansas Motor Carrier Act, 1955 to include commercial motor vehicle operating in intrastate commerce that have a gross vehicle weight rating, gross combination weight rating, gross vehicle weight, or gross combination weight of (26,000 lbs) or less.

Act 739 of 2021 extended the powers and duties of the commission to require the implementation of the recommendations included in the final report submitted by the Legislative Council resulting from the study of the Arkansas Department of transportation required by the Highway Commission Review and Advisory Subcommittee of the Legislative Council.

### Revenues Generated:

#### Motor Carrier Fee

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 287,753	(18.11)
2014	\$ 280,193	(2.63)
2015	\$ 306,792	9.49
2016	\$ 291,095	(5.12)
2017	\$ 241,479	(17.04)
2018	\$ 299,848	24.17
2019	\$ 354,193	18.12
2020	\$ 262,330	(25.94)
2021	\$ 231,377	(11.80)
2022	\$ 275,768	19.19
2023	\$ 267,488	(3.00)
2024	\$ 249,978	(6.55)

### Distribution of Tax:

General Revenue

### Administered by:

Arkansas Department of Transportation

### Cite:

Arkansas Code (1987) 23-13-201 et seq. ; 27-65-107

Before a veterinarian can practice veterinary medicine in this State, he or she must secure a license from the Arkansas Livestock and Poultry Commission. The commission collects fees from veterinarians, veterinary technicians, veterinary technologists, and veterinary technician specialists and deposits the money in the State Treasury.

### Rate and Base:

The commission establishes annually a schedule of license and permit fees based on the commission's financial requirements for the ensuing year.

### Exemptions:

The renewal fee may be waived by rule of the board when a veterinarian, veterinary technician, or veterinary technologist is on active duty with any branch of the United States Armed Forces for not to exceed three (3) years or for the duration of a national emergency, whichever is longer. The renewal fee may also be waived by rule of the board when a veterinarian or veterinary technician is a member of the Arkansas National Guard called into state active duty.

### History:

Act 88 of 1915 required that all veterinarians be licensed and established a fee of ten dollars (\$10.00) for registration and a ten dollar (\$10.00) examination fee.

Act 209 of 1951 added a one dollar (\$1.00) fee for renewal of registration.

Act 171 of 1963 imposed a twenty-five dollar (\$25.00) examination fee, a five dollar (\$5.00) annual renewal fee and a twenty-five dollar (\$25.00) license fee.

Act 217 of 1971 amended Act 171 and established the following fees:

1. Examination fee .....\$ 50.00
2. Annual renewal fee .....\$ 20.00
3. License by reciprocity fee .....\$100.00
4. Temporary permit .....\$ 25.00
5. Fee for certifying grades .....\$ 5.00

Act 650 of 1975 repealed all laws in conflict and empowered the Board to set all fees.

Act 691 of 2023 abolished the Veterinary Medical Examining Board and transferred all powers, duties, and functions to the Arkansas Livestock and Poultry Commission.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 127,826	0.33
2014	\$ 131,255	2.68
2015	\$ 123,805	(5.68)
2016	\$ 121,731	(1.68)
2017	\$ 102,275	(15.98)
2018	\$ 104,860	2.53
2019	\$ 106,410	1.48
2020	\$ 110,249	3.61
2021	\$ 111,009	0.69
2022	\$ 117,634	5.97
2023	\$ 120,469	2.41
2024	\$ 116,008	(3.70)

**Distribution of Tax:**

Special revenues for credit to the Veterinary Examiners Board  
Fund

**Administered by:**

Arkansas Livestock and Poultry Commission

**Cite:**

Arkansas Code (1987) 17-101-203

# Chapter 9 - Natural Resources Taxes and Fees

## 9.2. GAME AND FISH LICENSES, PERMITS, AND FEES

### 9.1. BRINE SEVERANCE TAX - NATURAL RESOURCES MUSEUM

The tax levied on brine produced in Arkansas is collected by the Revenue Division of the Department of Finance and Administration and is deposited in the State Treasury.

**Rate and Base:**

Forty cents (40¢) per one thousand (1,000) barrels

**Exemptions:**

None

**History:**

Act 759 of 1979 imposed the tax levied on brine produced in Arkansas for the purpose of bromine extraction.

Act 71 of the First Extraordinary Session of 1980 raised the tax to thirty cents (30¢) per one thousand (1,000) barrels.

Act 22 of the First Extraordinary Session of 1981 raised the tax to forty cents (40¢) per one thousand (1,000) barrels.

Act 983 of 2011 provided that the revenue derived from the tax would benefit the Arkansas Museum of Natural Resources Fund.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 50,433	(2.36)
2014	\$ 54,832	8.72
2015	\$ 53,876	(1.74)
2016	\$ 52,882	(1.84)
2017	\$ 46,075	(12.87)
2018	\$ 48,783	5.88
2019	\$ 49,002	0.45
2020	\$ 47,765	(2.52)
2021	\$ 47,241	(1.10)
2022	\$ 47,406	0.35
2023	\$ 42,488	(10.37)
2024	\$ 40,780	(4.02)

**Distribution of Tax:**

Thirty cents (30¢) - Special revenues for credit to the Arkansas Museum of Natural Resources Fund

Ten cents (10¢) - Special revenues for credit to the Arkansas Museum of Natural Resources Bond Redemption Fund

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-58-301 et seq.

The Arkansas State Game and Fish Commission issues permits and licenses related to wildlife resources in the state and collects fees for the permits and licenses that are deposited into the Game Protection Fund.

**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. Nonresident Annual Fishing ..... \$ 60.00
6. Nonresident 3-day Trip Fishing License ..... \$ 30.00
7. Resident Trout Permit ..... \$ 10.00
8. Nonresident Trout Permit ..... \$ 20.00
9. White River Border Lakes License ..... \$ 10.00
10. Resident Guide License/Fishing ..... \$ 25.00
11. Non-Resident Guide License/Fishing ..... \$ 500.00
12. Resident 65 Plus Annual Fishing License ..... \$ 3.50
13. Resident 65 Plus Combination License ..... \$ 4.50
14. Combination Sportsman's License ..... \$ 35.50

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 Tag ..... \$ 4.00
10. Alligator Snapping Turtle Breeder/Dealer Permit ..... \$ 100.00
11. Aquatic Turtle Harvest Permit ..... \$ 100.00
12. Aquatic Turtle Harvest Helper Permit ..... \$ 50.00
13. Aquatic Turtle Farmer/Dealer permit ..... \$ 250.00
14. Resident Shell Taker and Seller ..... \$ 100.00
15. Shell Taker Helper Permit ..... \$ 100.00
16. Shell Buyer ..... \$1,000.00
17. Nonresident Shell Buyer ..... \$2,000.00
18. Shell Buyer's Agent Permit ..... \$ 100.00
19. Resident Fish Dealer/hauler ..... \$ 25.00
20. Nonresident Fish Dealer/hauler ..... \$ 100.00
21. Minnow Dealer Tackle (Minnow, Seine, Traps or Lifts) ..... \$ 5.00
22. Fish Farm Health Inspection Permit ..... \$ 200.00
23. Fish Farmer (Aquaculturist) Permit ..... \$ 25.00
24. Bull Frog Permit (Must have valid Fish Farmer permit) ..... \$ 25.00
25. Resident Roe Taker/Seller Permit ..... \$ 500.00
26. Resident Roe Taker/Helper Permit ..... \$ 100.00
27. Resident Roe Buyer/Exporter Permit ..... \$1,000.00



28. Nonresident Roe Buyer Permit .....	\$2,000.00
29. Private Boat House/Irrigation (Single) .....	\$ 30.00
30. Private Pier/Irrigation .....	\$ 30.00
31. Irrigation Permit.....	\$ 30.00
32. Put & Take Pay Lake .....	\$ 150.00
33. Venomous Reptile Possession Permit.....	\$ 75.00
34. Nonresident Fish Farmer (Aquaculturist) Permit.....	\$ 100.00
35. Retail Bait Fish Dealer.....	\$ 10.00
36. Nonresident Fish Farmer .....	\$ 100.00

**Hunting License and Permits**

1. Resident Wildlife Conservation License .....	\$ 10.50
2. Resident Sportsman's License.....	\$ 25.00
3. Resident Disabled Hunting 3-Yr License .....	\$ 25.00
4. Resident Disabled Combination 3-Yr License .....	\$ 35.50
5. Nonresident Annual Hunting License.....	\$ 410.00
6. Nonresident 5-Day Hunting License .....	\$ 225.00
7. Nonresident 3-Day Hunting License .....	\$ 175.00
8. Nonresident 1-Day Hunting License .....	\$ 100.00
9. Nonresident Annual Small Game License .....	\$ 110.00
10. Nonresident 5-Day Small Game License.....	\$ 70.00
11. Nonresident Trapper's Permit.....	\$ 125.00
12. Private Lands Elk Permit .....	\$ 5.00
13. Arkansas Resident Waterfowl Stamp .....	\$ 7.00
14. Arkansas Nonresident Waterfowl Stamp.....	\$ 50.00
15. Resident 65 Plus Annual Hunting License .....	\$ 3.50
16. Resident 65 Plus Combination License .....	\$ 4.50
17. AG&F Leased Lands Permit (Hunting, Trapping and Camping) (Per WMA) .....	\$ 40.00
18. Falconry Permit Apprentice.....	\$ 25.00
19. Falconry Permit General.....	\$ 25.00
20. Falconry Permit Master .....	\$ 25.00
21. Resident Guide License/Hunting .....	\$ 250.00
22. Nonresident Guide License/Hunting.....	\$ 400.00
23. Resident Special Guide License.....	\$ 150.00
24. Nonresident WMA Waterfowl Hunting Permit (3-day trip for each WMA) ...	\$ 40.00
25. WMA Camping Permit (for each WMA) .....	\$ 5.00
26. Federal Duck Stamp .....	\$ 29.00
27. Camp Robinson SUA.....	\$ 15.00
28. Combination Sportsman's License.....	\$ 35.50
29. Private Lands Alligator Permit .....	\$ 5.00
30. Arkansas Quail Stamp (voluntary).....	\$ 9.50
31. Arkansas Turkey Stamp (voluntary) .....	\$ 9.50
32. Nonresident Annual Turkey.....	\$ 325.00
33. Nonresident Bear Tag .....	\$ 300.00
34. Nonresident Private Lands Elk .....	\$ 300.00
35. Nonresident Dog Owner's Permit.....	\$ 20.00
36. Nonresident WMA Waterfowl Hunting (30 days) .....	\$ 200.00

**Hunting Commercialization**

1. Resident Fur Dealer .....	\$ 50.00
2. Non-Resident Fur Dealer.....	\$ 100.00
3. Game Bird Shooting Resort Permit .....	\$ 310.00
4. Commercial Wildlife Hunting Resort Permit .....	\$ 745.00
5. Wildlife Breeder/Dealer Permit .....	\$ 95.00
6. Wildlife Importation Permit.....	\$ 65.00
7. Live Fox/Coyote Permit.....	\$ 25.00

8. Commercial Facility Operator's Permit .....	\$ 25.00
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**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 .....	\$ 10.00
6. Non-Expiring Lifetime Resident Hunting & Fishing Sportsman's Permit .....	\$1,000.00
7. Resident Disabled Military Veteran Lifetime Fishing License .....	\$ 1.50
8. Resident Disabled Military Veteran Lifetime Hunting License .....	\$ 1.50
9. Resident Disabled Military Veteran Lifetime Combination License .....	\$ 3.00
10. Resident Disabled Military Veteran Lifetime Waterfowl Permit.....	\$ 7.00
11. Resident Disabled Military Veteran Lifetime Trout Permit.....	\$ 10.00
12. Resident Military Retiree Lifetime Fishing License.....	\$ 10.50
13. Resident Military Retiree Lifetime Hunting License.....	\$ 25.00
14. Resident Military Retiree Combination License .....	\$ 35.50
15. Resident Military Retiree Waterfowl Permit .....	\$ 7.00
16. Resident Military Retiree Trout Permit .....	\$ 10.00
17. Resident Disabled Military Veteran Lifetime Combination License (includes trout and state waterfowl).....	\$ 52.50
18. Resident Natural State Lifetime Combination License and Permit (10 & under).....	\$ 5.00

**Exemptions:**

Resident of this State who is under sixteen (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 35, which became effective on and after July 1, 1945, the legislature has only had the authority to raise resident hunting and fishing licenses above the one dollar and fifty cents (\$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 one dollar (\$1.00) for every person before hunting, chasing or killing any wild deer; an annual license fee of one dollar (\$1.00) for fly fishing or bait casting, and an annual license fee of twenty-five dollars (\$25.00) 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
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2. Resident license to fish with artificial bait.....\$ 1.10
3. Nonresident to hunt.....\$15.00
4. Nonresident 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 nonresident 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 also known as “An Act to codify the Existing Game and Fish Laws That Apply to the State as a Whole,” established the following fees:

1. Resident Hunting License .....\$ 1.50
2. Nonresident Hunting License for hunting game birds, game, or fur-bearing animals except deer, bear, elk, or turkey .....\$15.00
3. Nonresident Hunting License for hunting any species of game bird, game, or furbearing animals including deer, bear, elk, or turkey .....\$25.00
4. Nonresident who hunts or takes furbearing animals for commercial purposes shall pay an annual nonresident 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. Nonresident 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.....\$ 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, as in effect on and after July 1, 1945 provided that: “Resident hunting and fishing license each one dollar and fifty cents (\$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 two dollars and fifty cents (\$2.50) each.

Act 182 of 1965 increased the annual resident hunting and fishing licenses to three dollars and fifty cents (\$3.50) each.

Act 1006 of 1975 amended Act 182 of 1965 and increased the annual resident hunting and fishing licenses to five dollars (\$5.00) each. Act 1006 also provided that a combined hunting and fishing license could be obtained upon payment of a fee of nine dollars (\$9.00).

Act 430 of 1977 again amended Act 182 of 1965, as amended, and increased the annual resident hunting and fishing licenses to seven dollars and fifty cents (\$7.50). Act 430 also provided that a person over sixty-five (65) years of age shall be issued a permanent resident hunting or fishing license upon a payment of one dollar and fifty cents (\$1.50) for each license. It also provided that a veteran with a one hundred percent (100%) service-connected disability shall be issued a permanent hunting or fishing license upon payment of a fee of three dollars and fifty cents (\$3.50) for each license.

Act 96 of 1979 provided that a blind person could obtain a permanent fishing license for a fee of three dollars and fifty cents (\$3.50).

Act 203 of 1979 again amended Act 182 of 1965 to add a provision that a person who has been one hundred percent (100%) disabled for a period of five (5) years shall be issued a permanent resident hunting or fishing license upon payment of a fee of one dollar and fifty cents (\$1.50) for each license.

Act 392 of 1979 provided for the issuance of a three-day fishing license to a resident or nonresident for a fee of three dollars and fifty cents (\$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 sixteen (16) and sixty-five (65) at ten dollars and fifty cents (\$10.50), and the fee for a three-day fishing license for

any resident in the State of Arkansas between the ages of sixteen (16) and sixty-five (65) was established at five dollars (\$5.00).

Acts 910 and 939 of 1987 fixed the resident hunting and fishing license at ten dollars and fifty cents (\$10.50) and the combination annual hunting license at seventeen dollars and seventy-five cents (\$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 five dollar (\$5.00) trout stamp and a five dollar and fifty cents (\$5.50) State duck stamp.

Act 49 of 1989 authorized 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 set 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 three-day fishing permit, and the resident combination hunting and fishing permit.

Act 156 of 1997 provided for the implementation of Amendment 75 which levied an additional one-eighth (1/8) of one percent (1%) 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 provided 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 (65) years of age for a one-time fee of thirty-five dollars and fifty cents (\$35.50).

Act 623 of 2009 provided for the issuance of a permanent hunting or fishing license with optional permanent trout stamp and duck stamp to a totally disabled veteran for thirty-five dollars and fifty cents (\$35.50) or a veteran of any age for one thousand dollars (\$1,000).

Act 1253 of 2013 provided for issuance of lifetime hunting licenses and fishing licenses to eligible disabled veterans, for a fee of one dollar and fifty cents (\$1.50) for each license.

Act 368 of 2015 reduced fees on certain annual licenses for those sixty-five (65) years or older.

Act 723 of 2015 allowed the Commission to issue a resident feral hog depredation permit.

Act 729 of 2019 amended the definition of a disabled veteran for purposes of obtaining a lifetime hunting and fishing license and provided that a disabled veteran may obtain a lifetime combination hunting and fishing license that includes a lifetime trout stamp and lifetime duck stamp for a set fee.

Act 886 of 2019 authorized an increase for the special annual fee for a trout special permit, a lifetime trout stamp, and a lifetime combination trout and state duck stamp.

Act 755 of 2023 established a lifetime hunting and fishing license for residents who are ten (10) years of age or younger for a one-time fee of \$5.00.

**Revenues Generated:**

Fiscal Year	Amount	%Change
Ending June 30		
2013	\$ 22,537,711	44.30
2014	\$ 24,230,072	7.51
2015	\$ 24,286,488	0.23
2016	\$ 26,778,415	10.26
2017	\$ 27,347,076	2.12
2018	\$ 26,923,649	(1.55)
2019	\$ 26,545,718	(1.40)
2020	\$ 27,516,252	3.66
2021	\$ 30,913,431	12.35
2022	\$ 30,722,097	(0.62)
2023	\$ 30,808,195	0.28
2024	\$ 34,585,821	12.26

**Distribution of Tax:**

Special revenues for credit to the Game Protection Fund

**Administered by:**

Arkansas State 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 (1,000 cu. ft.) 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 – two hundred fifty dollars (\$250), or such sum as the Commission may prescribe, but not to exceed five hundred dollars (\$500), plus two dollars (\$2.00) per person named in the application.
2. Assessments – fifty (50) mills on each barrel of oil and ten (10) mills on each one thousand cubic feet (1,000 cu. ft.) of gas.
3. Reasonable fees for notices and reports prepared and published by the Commission.
4. Annual payment of each saltwater well – one hundred dollars (\$100).
5. No fees required to plug a well.
6. Notice of Intention to Drill – three hundred dollars (\$300).
7. Seismic Testing Registration Fee – five hundred dollars (\$500).
8. Assessment – up to fifty cents (50¢) per one thousand (1,000) barrels of brine.
9. Application for Jurisdictional pipeline – up to five thousand dollars (\$5,000).
10. Transportation Tank – one hundred dollars (\$100) each.
11. Appeal of Director’s Decision Filing Fee - \$250.
12. Annual Fees for Permit Holder of Liquid Hydrocarbon and Associated Class II Wells

1-5 permits or wells	\$100/well
6-15 permits or wells	\$750/operator
16-50 permits or wells	\$1,250/operator
51-150 permits or wells	\$2,000/operator
151-300 permits or wells	\$3,000/operator
301 or more permits or wells	\$4,000/operator
13. Permit fee to drill, deepen, or re-enter storage well or observation well - \$300.

#### Exemptions:

None

#### History:

Act 144 of 1921, also known as “An Act to Conserve Natural Gas Resources of the State of Arkansas,” created the position of State Gas Inspector and the Oil and Gas Commission had its beginning. It provided for the payment of a fee of twenty-five dollars (\$25.00) 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 fifty

dollars (\$50.00) for new oil and gas wells, and a fee of fifty dollars (\$50.00) 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 twenty-five dollars (\$25.00)

Act 234 of 1933 established a fee for a permit to drill a well at fifty dollars (\$50.00) and a fee to plug a well at fifty dollars (\$15.00)

Act 105 of 1939 created the Oil and Gas Commission and set the following fees:

1. Assessments – five (5) mills on each barrel of oil and one-half (1/2) mill on each one thousand (1,000) cubic feet of gas.
2. Permit fee for each well drilled – fifty dollars (\$50.00).
3. Fee to plug a well – fifteen dollars (\$15.00).

Act 166 of 1975 set the assessments at 10 (ten) mills on each barrel of oil and one (1) mill on each one thousand (1,000) cubic feet of gas.

Act 113 of 1979 set the permit fee to drill a well at fifty dollars (\$50.00) or “such sum as the Commission may prescribe” and the fee to plug a well at fifteen dollars (\$15.00) or “such fee as the Commission may otherwise prescribe.”

Act 523 of 1981 set the present fees.

Act 5 of 1991 established a registration fee of two hundred fifty dollars (\$250) but not more than five hundred dollars (\$500) for persons conducting field seismic operations.

Act 1188 of 2001 increased the assessment for brine produced and saved or sold for purposes of the extraction of chemical substances.

Act 1267 of 2005 specified the powers of the Commission with regard to the abandoned and orphaned Well Plugging Fund and increased the annual payment to one hundred dollars (\$100) per injection disposal well.

Act 1262 of 2013 provided for a penalty, not to exceed one hundred thousand dollars (\$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 authorized the Oil and Gas Commission to charge an application fee up to one hundred dollars (\$100) for carrying or pulling a transportation tank, to charge up to five thousand dollars (\$5,000) per application to construct or operate a jurisdictional pipeline system, and charge a hearing fee of up to two dollars (\$2.00) for each person whose address an applicant has identified in the application or request to receive a copy of the order from the hearing.

Act 977 of 2015 extended the sunset date for the designation of certain gas assessment fees as general revenue.

Act 1046 of 2015 temporarily diverted a portion of gas assessments to general revenue.

Act 705 of 2019 extended the date for the designation of certain gas assessment fees as general revenue.

## 9.4. OIL AND GAS LEASES

Act 437 of 2021 extended the sunset date for the designation of certain gas assessments to general revenue.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 11,438,560	1.93
2014	\$ 10,528,275	(7.96)
2015	\$ 12,090,090	14.83
2016	\$ 5,128,508	(57.58)
2017	\$ 7,372,481	43.75
2018	\$ 7,305,565	(0.91)
2019	\$ 2,417,256	(66.12)
2020	\$ 2,285,128	(5.47)
2021	\$ 1,952,248	(14.57)
2022	\$ 2,159,486	10.62
2023	\$ 1,751,801	(18.88)
2024	-0-	(100.00)

### Distribution of Tax:

Special revenues for credit to the Oil and Gas Commission Fund

### Administered by:

Oil and Gas Commission

### Cite:

Arkansas Code (1987) 15-71-107; 15-71-109; 15-71-110; 15-71-117; 15-72-103; 15-72-205; 15-76-306

The Natural Resources 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 may change the schedule of minimum fees and royalties and the terms of permits and leases.

The Arkansas State Game and Fish Commission has the authority for all lands held in the name of and managed by the commission.

### Rate and Base:

The Natural Resources Committee establishes a schedule of minimum fees and royalties, as well as the terms and conditions for various types of permits and leases. If more than one person or firm is interested in the same permit or leases, the permit may be awarded to the highest bidder. If two (2) or more bids are reasonably close, the Commissioner of State Lands may require an open auction between the high bidders.

### 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.

This Act also does not apply to lands in the name of or managed by the Arkansas State Game and Fish Commission.

### 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 First (1<sup>st</sup>) Extraordinary Session of 1963, which authorized the issuance of bonds to build a Revenue Department Building, provided that the Revenue Commissioner collect a five dollar (\$5.00) 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.

## 9.5. OIL SEVERANCE TAX – NATURAL RESOURCES MUSEUM

Act 572 of 1977 amended Act 524 of 1975 and created the Severed Resources Fund and provided a fee of one hundred thirty dollars (\$130) to cover the cost of processing the lease or permit. The proceeds of the one hundred thirty dollars (\$130) was to be deposited as follows:

1. Five dollars (\$5.00) declared to be cash funds and to be deposited in a bank in the Revenue Department Building Fund;
2. One hundred twenty-five dollars (\$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 five thousand dollars (\$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.

Act 910 of 2019 changed the membership of the Natural Resources Committee with the realignment of executive branch agencies.

**Revenues Generated:**

See Mineral Royalties and Leases

**Distribution of Tax:**

General revenues

**Administered by:**

Commissioner of State Lands

**Cite:**

Arkansas Code (1987) 22-5-806; 22-5-808; 22-5-802; 22-5-804

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:**

Twenty-five (25) mills plus two cents (2¢) per barrel of oil. The Arkansas State Game and Fish Commission establishes a schedule of minimum fees and royalties on commission lands.

**Exemptions:**

None

**History:**

Act 310 of 1977 levied tax of five (5) mills per barrel of oil to be deposited in the Arkansas Museum of Natural Resources Fund.

Act 71 of the First Extraordinary Session of 1980 levied a fee of twenty (20) mills on each barrel of oil to be deposited in the Arkansas Museum of Natural Resources Bond Redemption Fund.

Act 22 of the First Extraordinary Session of 1981 levied a severance tax of two cents (2¢) per barrel of oil to be deposited in the Arkansas Museum of Natural Resources Fund.

**Revenues Generated:**

Fiscal Year		
Ending June 30	Amount	%Change
2013	\$ 35,590	22.24
2014	\$ 32,848	(7.70)
2015	\$ 32,625	(0.68)
2016	\$ 30,838	(5.48)
2017	\$ 29,269	(5.09)
2018	\$ 26,265	(10.26)
2019	\$ 23,491	(10.56)
2020	\$ 23,480	(0.05)
2021	\$ 21,696	(7.60)
2022	\$ 24,706	13.87
2023	\$ 22,930	(7.19)
2024	\$ 22,458	(2.06)

**Distribution of Tax:**

Five (5) mills plus two cents (2¢) - Special revenues for credit to the Arkansas Museum of Natural Resources Fund

Twenty (20) mills - Special revenues for credit to the Arkansas Museum of Natural Resources Bond Redemption Fund

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987)22-5-801; 26-58-301 et seq.

**9.6. MINERAL ROYALTIES AND LEASES**

The Natural Resources Committee establishes a schedule of minimum fees and royalties for taking sand, gravel, oil, natural gas, casinghead, gas, coal and other minerals, and timber or logs from beds and bars, navigable rivers and lakes, or any other lands held in the name of the State of Arkansas. The Arkansas State Game and Fish Commission establishes a schedule of minimum fees and royalties on commission lands. 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 and Arkansas State Game and Fish Commission establish 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 Commissioner of State Lands 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. The lease or permit is awarded to the highest bidder.

**Exemptions:**

Severance, sale, or other disposition of sand, gravel, timber or logs, or minerals salvaged, severed, or removed by a state agency from lands held in the name of or managed by the agency if the sand, gravel, timber or logs, or minerals are salvaged, severed, or removed in the course of managing, developing, and improving the lands by the state agency and not for commercial purposes.

Sand and gravel may be removed from the beds or bars of any navigable river or lake by the Arkansas Department of Transportation, any county or road district, or any federal agency to be used for road building or maintenance.

Arkansas State Game and Fish Commission for lands held or managed by the commission.

**History:**

Act 138 of 1915 was enacted to protect the beds and bars of navigable streams and lakes 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 five cents (5¢) for each cubic yard of sand and gravel, one-half cent (1/2¢) for each gallon of oil and six cents (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:

Two and one-half cent (2.5¢) for each cubic yard of sand, five cents (5¢) for each cubic yard of gravel, one-half cent (0.5¢) for each gallon of oil, and six cents (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 (1) person may take natural resources to one thousand (1,000) acres for oil or gas or casing head gas and two hundred (200) acres for other minerals and set the following rates:

Two and one-half cents (2.5¢) for each cubic yard of sand, five cents (5¢) for each cubic yard of gravel, six cents (6¢) per ton on coal, one-eighth (1/8) of the value of oil taken, and one-eighth (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 five dollar (\$5.00) 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 one hundred thirty dollars (\$130) with five dollars (\$5.00) credited to the Revenue Department Building Fund and one hundred twenty-five dollars (\$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, and Director of the Department of Finance and Administration. The Chairman of the Committee is now appointed by the Governor.

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
2013	\$ 498,254	(45.80)
2014	\$ 615,458	23.52
2015	\$ 517,787	(15.87)
2016	\$ 346,567	(33.07)
2017	\$ 367,622	6.08
2018	\$ 297,333	(19.12)
2019	\$ 456,219	53.44
2020	\$ 256,132	(43.86)
2021	\$ 325,892	27.24
2022	\$ 577,060	77.07
2023	\$ 538,217	(6.73)
2024	\$ 369,021	(31.44)

**Distribution of Tax:**

Except for application and bid fees, the Commissioner of State Lands deposits all funds received as fees, compensation, or royalties for leases or permits issued for the taking of sand, gravel, minerals, or timber for lands owned or held in the name of state agency as special revenue into the State Treasury for credit to the fund or account from which the agency receives support.

For lands owned or held in the name of a state institution of higher education, the funds are deposited into the State Treasury and transferred by warrant into the institution's cash fund account.

Except for application and bid fees, the commissioner deposits all funds for leases or permits for the taking of sand, gravel, minerals, or timber from all other state-owned lands into the State Treasury as general revenues.

Except for application and bid fees derived from the removal of logs, the commissioner deposits all funds for leases and permits for the taking of logs from lands owned or held in the name of the state into the State Treasury for the State Land Department. The commissioner shall distribute to counties from which logs were removed in accordance with the value of the logs.

All funds received by the Arkansas State Game and Fish Commission shall be special revenues and deposited into the State Treasury and credited to the Game Protection Fund.

**Administered by:**

Commissioner of State Lands

**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 Secretary of the Department of Finance and Administration.

### Rate and Base:

1. On barite, bauxite, titanium ore, manganese and manganiferous ores, zinc ore, cinnabar, and lead ore, fifteen cents (15¢) per ton of two thousand pounds (2,000 lbs.).
2. On coal, lignite, and iron ore, two cents (2¢) per ton of two thousand pounds (2,000 lbs.); an additional eight cents (8¢) per ton on coal, lead ore, fifteen cents (15¢) or ten percent (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 two thousand pounds (2,000 lbs.).
4. On crushed stone, including, but without being limited thereto, chert, granite, slate, novaculite, and limestone, and on construction sand, gravel, clay, chalk, shale, and marl, one cent (1¢) per ton of two thousand pounds (2,000 lbs.), plus an additional three cents (3¢) per ton.
5. On natural gas, the following percent of market value at time and point of severance within the State:
  - a. newly discovered gas severance tax rate is one and one-half percent (1.5%)
  - b. high-cost gas severance tax rate is one and one-half percent (1.5%)
  - c. marginal gas severance tax rate is one and one quarter percent (1.25%)
  - d. all natural gas not defined above shall have a severance tax of five percent, (5%)
6. On oil, five percent (5%) of the market value at time and point of severance.
7. 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.
8. On salt water whose naturally dissolved components, or 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 and forty-five cents (\$2.45) per one thousand (1,000) barrels, equivalent to forty-two thousand United States gallons (42,000 U.S. gals.); plus ten cents (10¢) per one thousand (1,000) barrels with revenue going to the Arkansas Museum of Natural Resources 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.
10. On lead ore, fifteen cents (15¢) per ton of two thousand pounds (2,000 lbs.) or at ten percent (10%) of market value, whichever rate is the greater.

### 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.

Biomass grown for the purpose of biofuel production.

### History:

Act 118 of 1923 imposed the first severance tax on natural resources and provided for the levying of a tax of twenty-five cents (25¢) per ton on bauxite and one cent (1¢) per ton on coal and a tax of two and one-half percent (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 two and one-half percent (2.5%) of the gross cash market value and levied instead a tax of ten cents (10¢) per ton.

Act 2 of the Second (2<sup>nd</sup>) Extraordinary Session of 1924 removed the twenty-five cents (25¢) per ton tax on bauxite and imposed a tax of two and one-half percent (2.5%) of the gross cash market value.

Act 142 of 1927 levied an additional severance tax of one (1) mill on each ton of coal mined and one (1) mill on each ton of manganese ore mined. On all other minerals, an additional tax of one-tenth of one percent (0.1%) 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 (1) mill per ton tax levied by Act 142 of 1927. Coal was also excluded from the additional one-tenth of one percent (0.1%) 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, and lead ore, ten cents (10¢) per ton of two thousand pounds (2,000 lbs.);
2. on coal and lignite, one cent (1¢) per ton of two thousand pounds (2,000 lbs.);
3. on gypsum and chemical grade limestone, silica sand, and dimension stone, one cent (1¢) per ton of two thousand pounds (2,000 lbs.);
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 (1/2¢) per ton of two thousand pounds (2,000 lbs.);

5. on natural gas, three-twentieths (3/20) of one cent (1¢) per one thousand cubic feet (1,000 cu. ft.);
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.

The act also provided that seventy-five percent (75%) of severance taxes would be general revenues and twenty-five percent (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, and lead ore, fifteen cents (15¢) per ton of two thousand pounds (2,000 lbs.);
2. on coal and lignite, two cents (2¢) per ton of two thousand pounds (2,000 lbs.);
3. on gypsum and chemical grade limestone, silica sand, and dimension stone, one and one-half cents (1 1/2¢) per ton of two thousand pounds (2,000 lbs.);
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 two thousand pounds (2,000 lbs.);
5. on natural gas, three-tenths of one cent (0.3¢) per one thousand cubic feet (1,000 cu. ft.); 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.

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 one thousand (1,000) barrels, equivalent to forty-two thousand United States gallons (42,000 U.S. gals.).

Act 560 of 1983 levied an additional severance tax on coal in the amount of eight cents (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, one cent (1¢) per ton as in effect on and after January 1, 1984 until December 31, 1984; two cents (2¢) per ton as in effect on and after January 1, 1985, until December 31, 1985; and three cents (3¢) per ton effective on and after January 1, 1986.

The State Treasurer shall allocate the additional funds as follows:

1. Three percent (3%) to the Constitutional and Fiscal Agencies Fund, ninety-seven percent (97%) of the amount as follows:
  - a. Twenty-five percent (25%) to the County Aid Fund to be distributed to the counties quarterly, to be divided by the county treasurer fifty percent (50%) to the County General School Fund and fifty percent (50%) to the County Highway Fund.
  - b. Seventy-five percent (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, or 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 two dollars (\$2.00) to two dollars and forty-five cents (\$2.45) per thousand (1,000) barrels and provided that forty-five cents (45¢) of the tax shall be deposited as special revenues for credit to the Oil and Gas Commission Fund.

Act 22 of the First (1<sup>st</sup>) Extraordinary Session of 1981 levied a two cent (2¢) barrel tax on oil and ten cents (10¢) per one thousand (1,000) barrels of brine. All monies collected are earmarked for the Oil and Brine Museum Fund.

Act 25 of 1993 provided for a severance tax on lead ore at a rate of fifteen cents (15¢) per ton or ten percent (10%) of market value whichever is greater.

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

Act 1156 of 1993 provided that the severance tax on diamonds shall be deposited in the Arkansas State Parks Trust Fund.

Act 356 of 1995 allowed saltwater injection wells to be included in the total well count for calculating average production of low-producing wells.

Act 1093 of 1995 provided exemptions from oil severance tax: 1) fifty percent (50%) reduction in tax for oil produced under an enhanced recovery plan approved by the Oil and Gas Commission; 2) one hundred percent (100%) exemption for ten (10) years for oil produced from an inactive well or field; 3) one hundred percent (100%) exemption for an indefinite period for additional oil produced from an active field using "new technology."

Act 1279 of 2003 allowed the surface owner of property to purchase the severed tax-delinquent mineral interest of the property.

Act 4 and Act 5 of the First (1<sup>st</sup>) Extraordinary Session of 2008 increased the severance tax rate on natural gas at different rates of tax for different categories of natural gas.

Act 145 of 2009 allowed flexibility in the reporting of severed natural gas.

Act 737 of 2009 specified that biomass grown for the purpose of biofuel production is not subject to severance tax.

Act 536 of 2015 amended the distribution of severance tax and directed a portion of the tax into the newly created Road and Bridge Repair, Maintenance, and Grants Fund.

Act 1019 of 2017 amended the distribution of revenues derived from the severance tax on natural gas.

**Revenues Generated:**

**Conventional General Plus Special Revenues**

Fiscal Year Ending June 30	Amount	%Change
2014	\$ 28,933,329	7.01
2015	\$ 23,366,276	(19.24)
2016	\$ 11,723,992	(49.83)
2017	\$ 12,217,375	4.21
2018	\$ 13,321,518	9.04
2019	\$ 9,105,703	(31.65)
2020	\$ 6,983,517	(23.31)
2021	\$ 6,238,604	(10.67)
2022	\$ 12,618,009	102.26
2023	\$ 11,845,290	(6.12)
2024	\$ 10,797,458	(8.85)

**Natural Gas Severance – Special:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 47,684,575	(9.32)
2014	\$ 72,076,246	51.15
2015	\$ 74,282,076	3.06
*2016	\$ 32,086,625	(56.80)
2017	\$ 38,785,509	20.88
2018	\$ 36,061,236	(7.02)
2019	\$ 37,620,205	(3.00)
2020	\$ 13,392,596	(64.40)
2021	\$ 18,300,596	36.65
2022	\$ 60,881,096	232.67
2023	\$ 76,230,255	25.21
2024	\$ 15,735,021	(79.36)

\* As in effect on and after July 1, 2016, special revenues include the portion of the tax directed to the Road and Bridge Repair, Maintenance, and Grants Fund.

**Distribution of Tax:**

Seventy-five percent (75%) general revenues, except seventy-five percent (75%) of the severance tax on diamonds is credited to the Arkansas State Parks Trust Fund; twenty-five percent (25%) special revenues credited to the County Aid Fund.

Distribution of Natural Gas Severance:

The first six hundred seventy-five thousand dollars (\$675,000), credited to general revenues. Five percent (5%) of the remainder is deposited as special revenues into the Road and Bridge Repair, Maintenance, and Grants Fund.

Ninety-five percent (95%) of the remainder is special revenues deposited according to the Arkansas Highway Revenue Distribution Law, which provides seventy percent (70%) to the State Highway and Transportation Department Fund, fifteen percent (15%) to the County Aid Fund, and fifteen percent (15%) to the Municipal Aid Fund.

Distribution of Salt Water Severance:

Of the fee levied per one thousand (1,000) barrels, forty-five cents (45¢) is deposited as special revenues and credited to the Oil and Gas Commission Fund.

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-58-101 et seq.

## 9.8. TIMBER SEVERANCE TAX

Timber severance tax is levied on and collected from each producer of saw timber and timber products by the Secretary of the Department of Finance and Administration.

### Rate and Base:

1. Pine timber – seventeen and eight-tenths cents (17.8¢) per ton of two thousand pounds (2,000 lbs.)
2. All other timber – twelve and five-tenths cents (12.5¢) per ton of two thousand pounds (2,000 lbs.)

### Exemptions:

Timber severed from a person’s own premises to be used by him and not for sale, commercial gain, or profit.

### History:

Act 118 of 1923 enacted the timber severance tax, along with a severance tax on numerous other natural resources, at a rate of seven cents (7¢) per one thousand feet (1,000 ft.) 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¢
1977	75¢
1981	\$1.25

#### 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 required 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 – seventeen and eight-tenths cents (17.8¢) per ton of two thousand pounds (2,000 lbs.);
2. On all other timber – twelve and five-tenths cents (12.5¢) per ton of two thousand pounds (2,000 lbs.)

The Act provided the following conversion factors to convert other measurements to weight:

Product	Conversion Factors
Sawtimber:	
Pine	16,000 lbs./MBF Doyle
All Other	16,000 lbs./MBF Doyle
Pulpwood:	
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
Poles or Piling: Greater than 16’	40 Lineal Ft./Ton
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.
Whole Tree Chips:	
Pine	5,000 lbs./Cord-128 Cu. Ft.
All Other	6,000 lbs./Cord-128 Cu. Ft.

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

Act 1156 of 1993 directed the distribution of severance tax generally to the Arkansas State Parks Trust Fund and the Crater of Diamonds State Park Improvement Fund.

Act 736 of 1999 allowed the University of Monticello to transfer from General Revenue to cash funds any timber severance tax funds credited to the University of Monticello Fund.

Act 1245 of 2007 provided that the University of Monticello shall transfer from General Revenue to cash funds any timber severance tax funds credited to the University of Monticello Fund.

Act 737 of 2009 provided that biomass used primarily for the purpose of biofuel production is not subject to severance tax.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 3,401,627	2.40
2014	\$ 3,404,748	0.09
2015	\$ 3,620,820	6.35
2016	\$ 3,770,084	4.12
2017	\$ 3,992,735	5.91
2018	\$ 4,298,325	7.65
2019	\$ 4,091,189	(4.82)
2020	\$ 4,281,645	4.66
2021	\$ 3,920,996	(8.42)
2022	\$ 4,165,691	6.24
2023	\$ 3,882,651	(6.79)
2024	\$ 3,781,722	(2.60)

### Distribution of Tax:

3% of the total revenue collected on severance taxes to general revenue

Of the remaining 97%, all revenue collected on timber and timber products is credited to the State Forestry Fund and the University of Arkansas at Monticello Fund.

**Cite:**

Arkansas Code (1987) 26-58-111; 26-58-124

**9.9. 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:**

Twenty cents (20¢) per acre

**Exemptions:**

Disabled veterans, surviving spouses of disabled veterans, and surviving minor dependent children of disabled veterans who are eligible for the exemption from the payment of all state taxes on the homestead and personal property owned by them if the amount of tax owed is less than five dollars (\$5.00).

**History:**

Act 354 of 1969 first levied the timberlands tax on timberlands at the annual rate of three cents (3¢) per acre.

Act 388 of 1977 amended Act 354 to include “range lands” subject to the tax, but specifically excluded "pasturelands".

Act 426 of 1981 increased the rate to five cents (5¢) per acre.

Act 865 and Act 1112 of 1993 increased the timberland tax from five cents (5¢) per acre to fifteen cents (15¢) per acre. Also, the Forestry Commission is authorized to charge private landowners a fee not to exceed four dollars (\$4.00) per acre to prepare timber management plans to be used to improve program to deal with forest fires.

Act 1391 of 2013 increased the annual rate levied to twenty cents (20¢) per acre.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 2,078,423	1.16
2014	\$ 2,237,592	7.66
2015	\$ 2,771,401	23.86
2016	\$ 2,761,013	(0.37)
2017	\$ 2,885,980	4.53
2018	\$ 3,323,247	15.15
2019	\$ 2,801,152	(15.71)
2020	\$ 2,768,650	(1.16)
2021	\$ 2,893,125	4.50
2022	\$ 2,891,900	(0.04)
2023	\$ 2,877,124	(0.51)
2024	\$ 2,922,797	1.59

**Distribution of Tax:**

Special revenues for credit to the State Forestry Fund

**Administered by:**

Arkansas Forestry Commission and various county officials

**Cite:**

Arkansas Code (1987) 26-61-101 et seq.

# Chapter 10 – Medical Marijuana

Cite:

Arkansas Constitution, Amendment 98, § 17

## 10.1 MEDICAL MARIJUANA SALES TAX

The sale of usable marijuana is subject to all state and local sales taxes at the same rate as other goods.

### Rate and Base:

State: Six and one-half percent (6.5%); Local: Variable

### Exemptions:

None.

### History:

Act 670 of 2017 amended the Arkansas Constitution, Amendment 98, also known as the “Arkansas Medical Marijuana Amendment of 2016,” regarding taxation and distribution of proceeds to direct all of the state sales tax to be deposited into the Arkansas Medical Marijuana Implementation and Operations Special Revenue Fund to be used for the expenses of implementation and administration. The act also provided that any remaining money in the fund after the payment of expenses shall be directed to the General Revenue Fund Account. The act also created the Medical Marijuana Commission Fund and the Arkansas Medical Marijuana Implementation and Operations Special Revenue Fund.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2019	\$ 1,975,194	100.00
2020	\$ 2,998,117	51.79
2021	\$ 5,174,647	72.60
2022	\$ 7,756,598	49.90
2023	\$ 6,424,263	(17.18)
2024	\$ 6,525,162	1.57

### Distribution of Tax:

All revenues collected from this amendment are designated as special revenue and the funds collected shall be deposited in the State Treasury and credited to the Arkansas Medical Marijuana Implementation and Operations Fund. The following state agencies shall submit a report to the Chief Fiscal Officer of the State of projected expenses: the Alcoholic Beverage Control Division of the Department of Finance and Administration, the Department of Health, the Medical Marijuana Commission, and any other state agency that incurs expenses related to this amendment. The amounts remaining in the Arkansas Medical Marijuana Implementation and Operations Fund shall be distributed one hundred percent (100%) to the General Revenue Fund Account.

### Administered by:

Department of Finance and Administration – Revenue Services  
Division Chief Fiscal Officer of the State

**10.2 MEDICAL MARIJUANA  
PRIVILEGE TAX**

In addition to the gross receipts sales tax, a cultivation facility, dispensary, or other marijuana business shall collect and remit a special privilege tax of four percent (4%) from the gross receipts or gross proceeds derived from each sale of usable marijuana. This special privilege tax expires on July 1, 2025, unless extended by the General Assembly.

**Rate and Base:**

Four percent (4%) of gross receipts or gross proceeds from the sale of usable marijuana

**Exemptions:**

None.

**History:**

Act 1098 of 2017 created the special privilege tax on usable marijuana.

Act 592 of 2019 extended the sunset date for the Arkansas Medical Marijuana Special Privilege Tax Act of 2017 to July 1, 2021.

Act 434 of 2021 extended the sunset date for the Arkansas Medical Marijuana Special Privilege Tax Act of 2017 to July 1, 2023.

Act 641 of 2023 extended the sunset date for the Arkansas Medical Marijuana Special Privilege Tax Act of 2017 to July 1, 2025.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2019	\$ 398,285	100.00
2020	\$ 13,468,688	3,281.67
2021	\$ 33,825,206	151.14
2022	\$ 39,309,125	16.21
2023	\$ 37,954,259	(3.45)
2024	\$ 36,817,223	(3.00)

**Distribution of Tax:**

All revenues collected from this amendment are designated as special revenue, and the funds collected shall be deposited in the State Treasury and credited to the Arkansas Medical Marijuana Implementation and Operations Fund. The following state agencies shall submit a report to the Chief Fiscal Officer of the State of projected expenses: the Alcoholic Beverage Control Division of the Department of Finance and Administration, the Department of Health, the Medical Marijuana Commission, and any other state agency that incurs expenses related to this amendment. The amounts remaining in the Arkansas Medical Marijuana Implementation and Operations Fund shall be distributed one hundred percent (100%) to the General Revenue Fund Account.

**Administered by:**

Department of Finance and Administration – Revenue Services  
Division  
Chief Fiscal Officer of the State

**Cite:**

Arkansas Constitution, Amendment 98, § 17; § 26-57-1501 et seq.

# Chapter 11 - Miscellaneous

## 11.1 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 Secretary of the Department of Finance and Administration collects the tax and issues the license.

### Rate and Base:

The annual tax on each amusement game is five dollars (\$5.00); the annual fee for all licensees operating not more than three (3) amusement devices is five hundred dollars (\$500); and, for all licensees operating more than three (3) amusement devices, the fee is one thousand dollars (\$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 (\$75.00) 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 (1) 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 twenty-five dollars (\$25.00), and each salesman employed by such business shall pay five dollars (\$5.00) for a license.

### Exemptions:

None

### History:

Act 201 of 1939 imposed a five dollars (\$5.00) annual tax on each amusement machine.

Act 120 of 1959 provided for a fee of two hundred fifty dollars (\$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 three (3) amusement devices, the sum of five hundred dollars (\$500).
2. All licensees operating more than three (3) amusement devices, the sum of one thousand dollars (\$1,000).

Act 868 of 1981 provided 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:

1. Licensees operating not more than three (3) amusement devices, the sum of seventy-five dollars (\$75.00) a month.
2. 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 (1) calendar year is required to pay the annual fee for a license.

Act 1209 of 2015 changed the definitions applicable to coin-operated amusement devices.

Act 949 of 2017 amended the definition of “any money or property,” “other articles,” “other valuable things,” or “any representative of anything that is esteemed of value” as it relates to facilities eligible to offer coin-operated amusement devices.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 147,078	(13.03)
2014	\$ 219,775	49.43
2015	\$ 316,387	43.96
2016	\$ 202,124	(36.11)
2017	\$ 173,537	(14.14)
2018	\$ 187,412	8.00
2019	\$ 230,605	23.05
2020	\$ 134,435	(41.70)
2021	\$ 179,148	33.26
2022	\$ 146,520	(18.21)
2023	\$ 164,360	12.18
2024	\$ 164,608	0.15

### Distribution of Tax:

Special revenues, of which, the first thirty thousand dollars (\$30,000) shall be deposited in the Public School Fund and the remaining revenue deposited to the credit of the State Board of Health.

### Administered by:

Revenue Division of the Department of Finance and Administration

### Cite:

Arkansas Code (1987) 26-57-404; 26-57-407; 26-57-409; 26-57-419



## 11.2 BEEF COUNCIL ASSESSMENT

The beef council assessment is collected by the Secretary of the Department of Finance and Administration from each head of cattle sold in the state. The secretary deposits the money in the State Treasury.

### Rate and Base:

One dollar (\$1.00) per head of cattle sold in Arkansas

### Exemptions:

None

### History:

Act 160 of 1983 authorized the beef council assessment at the rate of twenty-five cents (25¢) per head.

Act 3 of 1987 increased the beef council assessment from twenty-five cents (25¢) per head to one dollar (\$1.00) per head of cattle sold. Each dollar is then divided evenly between the State and national program fund as follows:

1. Arkansas Beef Council – fifty cents (50¢)
2. National Beef Promotion Account – fifty cents (50¢)

Act 250 of 1997 provided 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
2013	\$ 404,081	(14.60)
2014	\$ 368,331	(8.85)
2015	\$ 343,694	(6.69)
2016	\$ 339,565	(1.20)
2017	\$ 368,388	8.49
2018	\$ 402,135	9.16
2019	\$ 429,184	6.73
2020	\$ 408,557	(4.81)
2021	\$ 425,135	4.06
2022	\$ 439,007	3.26
2023	\$ 444,617	1.28
2024	\$ 434,678	(2.24)

### Distribution of Tax:

Special Revenues as follows:

Fifty cents (\$0.50) to National Beef Promotion Account of the Arkansas Beef Council Fund;

Deduct three percent (3%) of the remaining funds for credit to the Constitutional Officers Fund and the State Central Services Fund; and

The remainder to the State Beef Promotion Account of the Arkansas Beef Council Fund.

### Administered by:

Department of Finance and Administration

### Cite:

Arkansas Code (1987) 2-35-401; 2-35-404

### 11.3 BOVINE DISEASE FEES

The bovine disease fee is collected by the purchaser and is remitted monthly to the Secretary of the Department of Finance and Administration, who then remits the same to the State Treasury.

**Rate and Base:**

One dollar (\$1.00) per head on all cattle sold in the state

**Exemptions:**

None

**History:**

Act 150 of 1985 authorized the brucellosis vaccination fee at the rate of three dollars (\$3.00) per calf for one (1) year. Thereafter, the Commission may set whatever fee is necessary to continue the program.

Act 736 of 1989 levied, as in effect until July 1, 1990, a fee of one dollar (\$1.00) per head of cattle sold in this State. Thereafter, the Livestock and Poultry Commission shall establish the fee.

Act 342 of 2015 changed the name of the program to the Bovine Disease Control and Eradication Program.

Act 1077 of 2015 allowed the Executive Director of the Arkansas Livestock and Poultry Commission to promulgate rules to temporarily raise the fee.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 604,237	(9.78)
2014	\$ 524,128	(13.26)
2015	\$ 513,602	(2.01)
2016	\$ 499,366	(2.77)
2017	\$ 527,969	5.73
2018	\$ 572,527	8.44
2019	\$ 601,993	5.15
2020	\$ 588,259	(2.28)
2021	\$ 600,804	2.13
2022	\$ 616,256	2.57
2023	\$ 612,244	(0.65)
2024	\$ 583,647	(4.67)

**Distribution of Tax:**

Special revenues for credit to the Livestock and Poultry Commission Disease and Pest Control Fund after deducting three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund

**Administered by:**

Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 2-40-206

### 11.4 CATFISH FEED ASSESSMENT

The catfish feed assessment is collected by the Secretary of the Department of Finance and Administration from the seller of catfish seed.

**Rate and Base:**

One dollar (\$1.00) per ton of catfish feed sold

**Exemptions:**

Any producer may request and receive a refund of the assessment paid if application is made within sixty (60) calendar days after the date of sale supported by copies of sales slips from the seller of the catfish feed and a refund form. Sellers may deduct no more than one percent (1%) of gross assessments to cover the costs of compliance.

**History:**

Act 790 of 1999 authorized the catfish feed assessment for up to a rate of five dollars (\$5.00) per ton subject to an election by commercial catfish producers in the State.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 29,655	(27.00)
2014	\$ 28,911	(2.51)
2015	\$ 29,575	2.30
2016	\$ 30,186	2.07
2017	\$ 33,225	10.07
2018	\$ 30,346	(8.67)
2019	\$ 25,398	(16.31)
2020	\$ 22,382	(11.87)
2021	\$ 21,562	(3.66)
2022	\$ 23,795	10.35
2023	\$ 23,852	0.24
2024	\$ 22,727	(4.72)

**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 (1987) 2-9-101 et seq.

## 11.5 CORN AND GRAIN SORGHUM PROMOTION BOARD

The corn and grain sorghum assessment is collected by the Secretary of the Department of Finance and Administration from the buyer of corn or grain sorghum at the first point of sale or when it enters the United States Department of Agriculture loan program.

### Rate and Base:

One cent (1¢) per bushel on all corn and grain sorghum grown within the state

### Exemptions:

Any person who purchases one thousand (1,000) or less bushels of corn or grain sorghum in any calendar year.

### History:

Act 271 of 1997 established the Corn and Grain Sorghum Promotion Board.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 1,192,907	74.67
2014	\$ 1,473,510	23.52
2015	\$ 987,234	(33.00)
2016	\$ 1,096,898	11.11
2017	\$ 1,058,324	(3.52)
2018	\$ 1,127,416	6.53
2019	\$ 1,069,100	(5.17)
2020	\$ 1,156,092	8.14
2021	\$ 1,257,078	8.74
2022	\$ 1,515,170	20.53
2023	\$ 1,054,888	(30.38)
2024	\$ 1,318,536	24.99

### Distribution of Tax:

Special revenues credited to the Arkansas Corn and Sorghum Promotion Board less not more than 3% to cover cost of collections.

### Administered by:

Department of Finance and Administration – Revenue Services Division.

### Cite:

Arkansas Code (1987) 2-20-801 et seq.

## 11.6 DIVISION OF CORRECTION FARM INCOME

The farm operations of the Division of Correction began with the purchase of the Cummins Farm in 1902 and was expanded with the purchase of the Tucker Farm in 1916. In the beginning, all moneys collected by the Division from the sale of farm products, livestock, or other products produced on the farms were deposited in the State Treasury. The funds are now cash funds paid to the Arkansas Development Finance Authority for deposit into the Correction Facilities Privatization Account of the Correction Facilities Construction Fund.

### 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 (1<sup>st</sup>) 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 the First (1<sup>st</sup>) Extraordinary Session of 1995 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.

Act 910 of 2019 renamed the Department of Correction to the Division of Correction.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 9,852,137	(4.67)
2014	\$ 7,375,652	(25.14)
2015	\$ 10,681,514	44.82
2016	\$ 9,779,095	(8.45)
2017	\$ 7,945,893	(18.75)
2018	\$ 6,944,283	(12.61)
2019	\$ 4,415,516	(36.42)
2020	\$ 5,423,525	22.83
2021	\$ 8,427,149	55.38
2022	\$ 9,104,415	8.04
2023	\$ 9,643,768	5.92
2024	\$ 9,026,178	(6.40)

### Distribution of Tax:

Farm income is declared to be cash funds restricted in their use. The cash funds when received by the Division of Correction

## 11.7 DIVISION OF CORRECTION PRISON INDUSTRIES INCOME

shall not be deposited into or deemed to be a part of the State Treasury for purposes of Arkansas Constitution, Article 5, § 29, Arkansas Constitution, Article 16, § 12, Arkansas Constitution, Amendment 20, or any other constitutional or statutory provision related thereto. The Division of Correction shall pay such cash funds to the Arkansas Development Finance Authority for deposit into the Correction Facilities Privatization Account of the Correction Facilities Construction Fund. The cash funds shall not be subject to appropriation to the extent required for debt service.

**Administered by:**

Department of Correction and Division of Correction

**Cite:**

Arkansas Code (1987) 22-3-1210; 22-3-1217

The Board of Corrections 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:**

Act 473 of 1967, also known as the “Prison-Made Goods Act of 1967,” authorized the Prison Industries Program.

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.

Act 910 of 2019 renamed the Department of Correction to the Division of Correction and renamed the Department of Correction Prison Industries Fund to the Division of Correction Prison Industries Fund.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 6,774,280	3.53
2014	\$ 8,375,354	23.63
2015	\$ 7,626,875	(8.94)
2016	\$ 7,761,452	1.76
2017	\$ 7,970,543	2.69
2018	\$ 7,219,304	(9.43)
2019	\$ 8,360,252	15.80
2020	\$ 7,206,615	(13.80)
2021	\$ 6,421,065	(10.90)
2022	\$ 7,575,329	17.98
2023	\$ 8,394,641	10.82
2024	\$ 8,391,822	(0.03)

**Distribution of Tax:**

Special Revenues

**Administered by:**

Department of Correction and Division of Correction

**Cite:**

Arkansas Code (1987) 22-3-1218

## 11.8 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 Secretary of the Department of Finance and Administration 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 (nonprofit), 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 exempted the bonds and interest from all taxation, state, county, and municipal including income and inheritance taxes.

### History:

Act 303 of 1909 enacted the estate tax 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) 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) 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 one hundred dollars (\$100) of the value of the estate of more than one thousand dollars (\$1,000), but less than ten thousand dollars (\$10,000); 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); and on all estates exceeding fifty thousand dollars (\$50,000), the rate was six dollars (\$6.00) on each hundred dollars (\$100).

Act 197 of 1913 repealed Act 303 of 1909 and established the following rates:

1. Five thousand dollars (\$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 of 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 (10) 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 (10) 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 five thousand dollars (\$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 (2) 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 (3) 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 (4) 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 (5) 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 (6) 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 (7) times the primary rates.
  - g. Upon all amounts in excess of one million dollars (\$1,000,000), eight (8) times the primary rates.

Act 136 of 1941 repealed all inheritance tax laws or parts of inheritance tax laws in Act 197 of 1913 and imposed an estate tax equal to the federal credit allowable under the Federal Revenue Act.

Act 25 of 1963 exempted bequests to out-of-state nonprofit education institutions.

Act 169 of 1969 exempted bequests to additional nonprofit institutions and organizations.

Act 379 of 1983, also known as the “Technical Corrections Tax Act of 1983,” updated the current Arkansas law to adopt the federal estate tax law provisions currently in effect and provided that no Arkansas estate tax shall be imposed if there is no federal estate tax.

Act 910 of 1989 provided a special installment deferral of up to fifteen (15) years at an interest rate of four percent (4%) for the payment of Arkansas estate tax for certain qualifying businesses.

Act 590 of 1993 established the Economic Development of Arkansas Fund. The Fund is to consist of a portion of the estate tax.

Act 1681 of 2001 abolished the Economic Development of Arkansas Fund Commission. Also, provided that the special revenue portion is now credited to the General Improvement Fund.

Act 645 of 2003 adopted the federal phase-out of the State death tax credit portion of estate tax law.

Act 276 of 2007 adopted a uniform estate tax apportionment law.

**Revenues Generated:**

**General Revenues**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 91,808	100.00
2014	\$ 2,777	(96.98)
2015	\$ 2,725	(1.87)
2016	\$ 2,674	(1.87)
2017	\$ 197,622	7,290.50
2018	-0-	(100.00)
2019	-0-	
2020	-0-	
2021	-0-	
2022	-0-	
2023	-0-	
2024	-0-	

**Special Revenues**

Fiscal Year Ending June 30	Amount	%Change
2013	-0-	
2014	-0-	
2015	-0-	
2016	-0-	
2017	-0-	
2018	-0-	
2019	-0-	
2020	-0-	
2021	-0-	
2022	-0-	
2023	-0-	
2024	-0-	

**Distribution of Tax:**

General Revenues and Special Revenues

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 26-59-101 et seq.

## 11.9 COMMISSIONER OF STATE LANDS FEES

The Commissioner of State Lands may establish and revise a schedule of rates, fees, and charges for the deeds produced and filed or services performed in carrying out the established duties and authority of the office of the Commissioner of State Lands.

### Rate and Base:

Emergent Land Deeds issued pursuant to Act 203 of 1945, as amended	\$ 5.00
Deeds to 16th Section school lands under Section 1 of Act 183 of 1905, as amended	\$ 5.00
Quitclaim Deed of Mineral Interest under Act 266 of 1945	\$ 5.00
Issuance of duplicate deeds and patents under Section 2 of Act 53 of the Adjourned Session of 1875	\$ 5.00
Issuance of original patents under Section 3 of Act 10 of 1885	\$ 5.00
Redemption deeds issued under Section 6 of Act 151 of 1891	\$ 5.00
Issuance of sale deeds	\$ 5.00
Double entry statements	\$ 3.00
Disclaimers	\$ 3.00
For each page of field notes issued by the Office of the State Land Commissioner	\$ 0.50
Each GLO plat copied and distributed	\$ 5.00 + cost
Commissioner's Fee	\$25.00
Each Certification of Donation	\$10.00
Donation Deed	\$ 1.00
Fee for each required publication of delinquent real property tax list per tract per insertion.	\$ 1.50

### Exemptions:

None

### History:

Act 74 of 1875	Land Redemption
Act 12 of 1881	Field Notes
Act 12 of 1881	Plats
Act 117 of 1883	Certificate of Donation
Act 151 of 1891	Quitclaim Deed Fees
Act 282 of 1917	Sale of Islands
Act 331 of 1939	Land Use Committee Sales

Act 886 of 1983 established the current fees collected by the Commissioner of State Lands.

Act 318 of 1985 established a twenty-five dollar (\$25.00) fee collected against all tax delinquent land transferred to the State.

Act 423 of 2001 provided the Commissioner of State Lands shall charge a twenty-five dollar (\$25.00) fee against tax delinquent land redeemed or sold by the Commissioner. In addition, as in effect on and after July 1, 2001, land department fees shall be deposited in a financial institution and, therefore, are no longer classified as special revenue.

Act 673 of 2019 removed the fees from statute and moved authority for setting rates, fees, and charges to the Commissioner of State Lands by rule.

### Revenues Generated:

See Distribution of Tax

### Distribution of Tax:

Designated Cash Funds effective on and after July 1, 2001.

### Administered by:

Commissioner of State Lands

### Cite:

Arkansas Code (1987) 21-6-203

## 11.10 MOTORBOAT REGISTRATION FEES

The Arkansas State Game and Fish Commission is required to establish a system of identification numbering for all motorboats used in the state. The owners of motorboats file an application for numbers with the Secretary of the Department of Finance and Administration.

### 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
Duplicate or Replacement	\$ 1.00
Certificate of number with beneficiary	\$ 10.00

### Exemptions:

Boats covered by number awarded by a federal law or by a law or another state; boats from another country temporarily used in state; a boat owned by the United States, a state, or a subdivision; a lifeboat; boat used for demonstration or testing purposes by a recognized motorboat dealer, manufacturer, or agent to promote its sale or development; and a new boat that is operated for a period not to exceed twenty (20) working days from the date of purchase if the owner or operator has the bill of sale or acceptable proof of purchase.

### History:

Act 228 of 1923 first required registration of motor boats 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 one dollar and fifty cents (\$1.50) for issuing certificates of registration, one dollar (\$1.00) for each duplicate certificate, and twenty-five cents (25¢) for each extension.

Act 453 of 1959 repealed Act 228 of 1923 and required the County Clerk to collect the following fees:

1. One dollar (\$1.00) for transfer of registration from one owner to another
2. Two dollars (\$2.00) for issuance of certificate of registration
3. One dollar (\$1.00) for each annual renewal

The County Clerk was authorized to retain fifteen cents (15¢) as his fee for each certificate and each renewal. The balance was divided fifty percent (50%) to the County General Fund and fifty percent (50%) to the Game Protection Fund in the State Treasury.

Act 140 of 1963 provided that, after deducting the fifteen percent (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 fifteen percent (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 two dollar (\$2.00) for a two-year period for a certificate of registration and a two dollar (\$2.00) 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	\$ 4.00
Vessels over 16' in length	\$ 8.00
Vessels 26' and over	\$12.00
Transfers of ownership	\$ 2.00

It should be noted that Act 122 contained a provision for four-year boat registration. This portion of Act 122 was inconsistent with United States Coast Guard regulations, which do not recognize boat registration greater than three (3) years.

Act 517 of 1995 provided that the registration for motor boats shall be valid for three (3) years. The Act provided for the following registration fees:

	3 Years
Vessels less than 16' in length	\$ 6.00
Vessels 16 feet to less than 26 feet	\$12.00
Vessels 26 feet or more	\$18.00

Act 1774 of 2003 defined and included personal watercrafts for law enforcement purposes and changed the fee distribution. This Act also amended the distribution of funds to authorize 24% to the Marine Sanitation Fund.

Act 335 of 2011 authorized the transfer on death to a beneficiary of motorboats that are registered with the Department of Finance and Administration (\$10 fee).

Act 900 of 2011 repealed the exemption for motorboat used for demonstration purposes or testing.

Act 220 of 2013 added exemption for motorboat used for demonstration purposes or testing.

Act 733 of 2019 required the renewal of certificates of number upon payment of fee, proof of liability insurance (if applicable); motorboat listed for assessment; and the payment of required personal taxes.

Act 1057 of 2021 amended the definition of "motorboat" to include a boat that is powered solely by sails.

### Revenues Generated:

Fiscal Year		
Ending June 30	Amount	%Change
2013	\$ 862,346	(27.06)
2014	\$ 876,956	1.69
2015	\$ 955,771	8.99
2016	\$ 887,891	(7.10)
2017	\$ 830,279	(6.49)
2018	\$ 930,885	12.12
2019	\$ 877,270	(5.76)
2020	\$ 931,606	6.19
2021	\$ 1,034,327	11.03
2022	\$ 920,134	(11.04)
2023	\$ 915,154	(0.54)
2024	\$ 951,057	3.92



**Distribution of Tax:**

Three percent (3%) to the Constitutional Officers & State Central Services Fund; remaining ninety-seven percent (97%) to the Boating Safety Account Fund to be distributed as follows:

Eight percent (8%) to the State Central Services Fund and the Constitutional Officers Fund

Thirty-four percent (34%) to the Game Protection Fund

Thirty-four percent (34%) to the County Aid Fund

Twenty-four percent (24%) to the Marine Sanitation Fund

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 27-101-111; 27-101-302;27-101-304; 27-101-306; 27-101-309; 27-101-313

**11.11 PSEUDORABIES CONTROL FEES**

The Pseudorabies control fee is collected by the livestock market operator and is remitted monthly to the Secretary of the Department of Finance and Administration.

**Rate and Base:**

One dollar (\$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	Amount	%Change
Ending June 30		
2013	\$ 36	(76.32)
2014	\$ 27	(25.00)
2015	\$ 27	0.0
2016	\$ 22	(18.52)
2017	\$ 42	90.91
2018	\$ 27	(35.71)
2019	\$ 46	70.37
2020	\$ 32	(30.43)
2021	\$ 8	(73.59)
2022	\$ 13	53.85
2023	\$ 1,392	10607.46
2024	\$ 2,470	77.45

**Distribution of Tax:**

Special Revenues – After deducting three percent (3%) for credit to the Constitutional Officers Fund and the State Central Services Fund, the remainder is deposited as special revenues to the Livestock and Poultry Commission Swine Testing Fund

**Administered By:**

Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 2-40-1201

## 11.12 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:

Act 155 of 2007 exempted nursing facilities that provide nursing care exclusively under life-care facility contracts, once the Department of Human Services receives a waiver of the uniform health care related tax under 42 C.F.R. § 433.68.

### History:

Act 635 of 2001 authorized the quality assurance fee.

### Revenues Generated:

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 77,704,113	7.61
2014	\$ 76,402,110	(1.68)
2015	\$ 81,681,115	6.91
2016	\$ 86,498,395	5.90
2017	\$ 86,981,996	0.56
2018	\$ 84,288,931	(3.10)
2019	\$ 82,565,848	(2.04)
2020	\$ 84,861,599	2.78
2021	\$ 76,053,998	(10.38)
2022	\$ 73,828,507	(2.93)
2023	\$ 91,046,596	23.32
2024	\$ 103,100,542	13.24

### 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 (1987) 20-10-1602

## 11.13 REAL PROPERTY TRANSFER TAX

A tax at the rate of three dollars and thirty cents (\$3.30) for each one thousand dollars (\$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 one hundred dollars (\$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 Secretary of the Department of Finance and Administration transmits the money to the State Treasury.

### Rate and Base:

Three dollars and thirty cents (\$3.30) for each one thousand dollars (\$1,000) when the consideration exceeds one hundred dollars (\$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 (1) 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 a judicial proceeding or a nonjudicial proceeding under § 18-50-101 et seq. enforce a 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 or a nonjudicial proceeding under § 18-50-101 et seq. to enforce a security interest in real estate;
10. Instruments conveying new homes financed by Federal Housing Administration, Department of Veterans Affairs, or United States Department of Agriculture if the selling price is sixty thousand dollars (\$60,000) or less.
11. Instruments incidental to the organization, reorganization, consolidation, or liquidation of a corporation.
12. A beneficiary deed.

## History:

Act 239 of 1969 imposed the real estate transfer tax at the rate of one dollar and fifty cents (\$1.50) for each five hundred dollars (\$500) and was paid by the buyer, but exempted real estate transfers from the United States or Arkansas.

Act 275 of 1971 reduced the tax to the present rate of one dollar and ten cents (\$1.10) for each one thousand dollars (\$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. Ten percent (10%) of the remainder, after deducting three percent (3%) for the Constitutional and Fiscal Agencies Fund, shall be distributed as special revenues, as follows:
  - a. The first twenty-five thousand dollars (\$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 ten percent (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. Ninety percent (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 1983, 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 Federal Housing Administration or Department of Veterans Affairs if the selling price is fifty thousand dollars (\$50,000) or less when sold to home buyers who have not owned a home in three (3) years.

Act 729 of 1987 levied an additional real estate transfer tax, to be paid by the purchaser, of one dollar and ten cents (\$1.10) per one thousand dollars (\$1,000) of consideration. Revenues collected are deposited as “special revenues” and, after 3% is deducted and deposited in the Constitutional and Fiscal Agencies Fund, are distributed as follows:

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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

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Act 1054 of 1993 increased the amount of real estate transfer tax that is credited to the County and Circuit Clerks Continuing Education Fund from twenty-five thousand (\$25,000) to forty thousand dollars (\$40,000) each fiscal year.

Act 1181 of 1993 increased the real estate transfer tax one dollar and ten cents (\$1.10) per one thousand dollars (\$1,000) of consideration to three dollars and thirty cents (\$3.30) per one thousand dollars (\$1,000) of consideration.

Act 383 of 1995 provided 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 one-half (1/2) by seller and one-half (1/2) by buyer.

Act 788 and 1341 of 1997 amended the distribution of a portion of the real estate transfer tax.

Act 833 of 1997 exempted homes financed by Department of Veterans Affairs, Federal Housing Act, or United States Development of Agriculture if the sales price is sixty thousand dollars (\$60,000) or less from the real estate transfer tax and the purchaser has not owned a home in three years.

Act 348 of 2001 increased County and Circuit Clerk Continuing Education Fund to the first sixty thousand dollars (\$60,000) collected by real estate transfer tax.

Act 1086 of 2003 clarified 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 allowed title companies to acquire documentary stamps through consignment arrangements with Department of Finance and Administration.

Act 793 of 2007 redistributed four million five hundred thousand dollars (\$4,500,000) from the 80% net amount to be credited to the Arkansas Natural and Cultural Resources Trust Fund to general revenues.

Act 1098 of 2015 clarified transfers to which real property transfer tax does not apply.

Act 206 of the Fiscal Session of 2022 provided that revenues collected over the amount equaling the amount of tax collected under the chapter during fiscal year 1982-1983, would be deposited into the State Central Services Fund.

Act 449 of 2023 provided that ten percent (10%) of the remainder, after deducting three percent (3%) for the Constitutional and Fiscal Agencies Fund, shall be distributed as special revenues, as follows:

The first one hundred eighty-one thousand five hundred dollars (\$181,500) thereof during each fiscal year shall be credited to the County and Circuit Clerks Continuing Education Fund and the County Coroners Continuing Education Fund as follows:

- a. Sixty thousand five hundred dollars (\$60,500) for county clerks' continuing education;
- b. Sixty thousand five hundred dollars (\$60,500) for circuit clerks' continuing education; and
- c. Sixty thousand five hundred dollars (\$60,500) for county coroners' continuing education.

**Administered by:**

Revenue Division of the Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 15-12-103; 26-60-101 et seq.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 30,190,886	17.25
2014	\$ 32,715,275	8.36
2015	\$ 35,508,478	8.54
2016	\$ 38,844,473	9.39
2017	\$ 43,254,969	11.35
2018	\$ 44,891,747	3.78
2019	\$ 46,610,010	3.83
2020	\$ 51,505,487	10.50
2021	\$ 67,983,176	31.99
2022	\$ 87,752,324	29.08
2023	\$ 54,208,546	(38.23)
2024	\$ 55,398,910	2.20

(Includes amount credited to County Aid Fund)

**Distribution of Tax:**

One dollar and ten cents (\$1.10) of tax distributed as follows, after deducting three percent (3%) for the Constitutional and Fiscal Agencies Fund, shall be distributed as special revenue:

- 1. Ten percent (10%) is special revenue, distributed as follows:
  - a. The first one hundred eighty-one thousand five hundred dollars (\$181,500) distributed in equal amounts to the County Clerks Continuing Education Fund, the Circuit Clerks Continuing Education Fund, and the County Coroners Continuing Education Fund; and
  - b. The remainder to the County Aid Fund.
- 2. Ninety percent (90%) is distributed as follows:
  - a. The entire amount collected during each fiscal year, until such tax equals the amount collected during Fiscal Year 1983, is credited to general revenue;
  - b. The remainder is credited to the State Central Services Fund used for the salaries and expenses of court reporters; and
  - c. Any amount received over and above this amount is deposited into the State Treasury as general revenues.

Two dollars and twenty cents (\$2.20) of tax is special revenues and is distributed as follows:

- 1. Eighty percent (80%) to the Arkansas Natural and Cultural Resources Grant and Trust Fund;
- 2. Ten percent (10%) to the Parks & Tourism Fund Account; and
- 3. Ten percent (10%) to the Natural and Cultural Resources Historic Preservation Trust Fund.

## 11.14 RICE ASSESSMENT

The rice assessment is collected by the Secretary of the Department of Finance and Administration from the buyer of rice at the first point of sale or when the rice enters into the United States Department of Agriculture loan program and from the producer on all rice grown within the state.

### Rate and Base:

1. One and thirty-five-hundredths cents (1.35¢) per bushel paid by buyer.
2. One and thirty-five-hundredths cents (1.35¢) per bushel paid by producer.

### Exemptions:

This assessment does not apply to persons who purchase one thousand (1,000) bushels or less in any calendar year.

### History:

Act 75 of 1985 authorized the rice assessment at a rate of two cents (2¢) per bushel as in effect on and after August 1, 1985, until July 1, 1987, and three cents (3¢) per bushel thereafter.

Act 344 of 1995 provided 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 one and thirty-five hundredths cents (1.35¢) per bushel to be paid by the buyer and one and fifty hundredths cents (1.50¢) per bushel to be paid by the producer. The 1.35¢ 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 levied an assessment of one and thirty-five hundredths cents (1.35¢) per bushel to be paid by the buyer at the first point of sale and one and thirty-five hundredths cents (1.35¢) to be paid by the producer or rice grown in the State and deletes language referencing a refund procedure.

Act 852 of 2005 required 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
2013	\$ 5,630,898	19.70
2014	\$ 4,358,559	(22.60)
2015	\$ 5,578,226	27.98
2016	\$ 5,784,186	3.69
2017	\$ 6,065,346	4.86
2018	\$ 5,364,793	(11.55)
2019	\$ 5,695,185	6.16
2020	\$ 5,298,198	(6.97)
2021	\$ 5,951,372	12.33
2022	\$ 5,531,487	(7.06)
2023	\$ 4,694,449	(15.13)
2024	\$ 6,390,233	36.12

### Distribution of Tax:

Special revenue for credit to the Arkansas Rice Research and Promotion Board less not more than 3% to cover cost of collections.

### Administered by:

Department of Finance and Administration

### Cite:

Arkansas Code (1987) 2-20-501 et seq.

## 11.15 SOYBEAN ASSESSMENTS

The soybean assessment is collected by the Arkansas Soybean Promotion Board or its designee, the Secretary of the Department of Finance and Administration, from the first purchaser of soybeans and is deducted from the amount paid the producer at the first point of sale or at the point the soybeans enter the USDA loan program. The Commissioner of Revenues deposits the moneys in the State Treasury.

### Rate and Base

One-quarter of one percent (0.25%) of net market price of all soybeans grown within the state

### Exemptions:

Does not apply to any person who purchases one thousand (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 forty-five (45) days from the date of sale supported by copies of sales slips signed by the producer, provided that the application is filed before the annual accounting is made of the funds not later than July 1 each year.

### History:

Act 259 of 1971 authorized the soybean assessment at the rate of (1/4¢) per bushel on soybeans grown from March 10, 1971, until July 1, 1973, and (1/2¢) per bushel on all soybeans grown thereafter.

Act 355 of 1979 increased the assessment to one cent (1¢) per bushel.

Act 102 of 1989 levied an assessment of two cents (2¢) per bushel on all soybeans grown in State.

Act 340 of 1991 provided for an assessment of one-quarter of one percent (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
2013	\$ 9,330,202	30.88
2014	\$ 8,976,122	(3.79)
2015	\$ 8,051,733	(10.30)
2016	\$ 6,940,891	(13.80)
2017	\$ 6,778,406	(2.34)
2018	\$ 8,874,074	30.92
2019	\$ 6,368,291	(28.24)
2020	\$ 5,417,728	(14.93)
2021	\$ 7,584,282	39.99
2022	\$ 8,992,100	18.56
2023	\$ 10,256,661	14.06
2024	\$ 9,954,243	(2.95)

### Distribution of Tax:

Special revenues for credit to the Soybean Promotion Board less not more than 3% to cover cost of collections.

### Administered by:

Department of Finance and Administration - Revenue Services  
Division

### Cite:

Arkansas Code (1987) 2-20-401 et seq.

## 11.16 UNCLAIMED PROPERTY

Property that is presumed to be abandoned is required to be transmitted to the Auditor of State for deposit in one or more financial institutions authorized to do business in the state and then may be transferred into the State Treasury Money Management Trust if the property remains unclaimed.

### Rate and Base:

All property that has been abandoned for a period of seven (7) 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, also 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 (1<sup>st</sup>) Extraordinary Session of 2003 allowed transfers from the Unclaimed Property Proceeds Trust Fund be deposited as general revenues available for distribution.

Act 86 of 2013 excluded funds distributed from a trust or custodial fund established by a State of Arkansas retirement system.

Act 563 of 2015 provided for the escheatment of United States savings bonds that are unclaimed or considered abandoned.

Act 592 of 2015 required that a published notice of unclaimed property contain a statement explaining that additional information concerning the property may be obtained by consulting the auditor’s website, contacting the auditor by phone, or consulting a posting of a notice located at the county court.

Act 905 of 2015 established the Unclaimed Life Insurance Benefits Act, and provided for unclaimed death benefits to be claimed by the State under the Unclaimed Property Act, after the insurer has made a good faith effort to confirm the death and fulfill the life insurance contract.

Act 1039 of 2015 amended the time periods for the presumption of abandonment of unclaimed property.

Act 421 of 2017 amended the time period required for the presumption of abandonment of securities to 7 years.

Act 622 of 2017 required written notice to be sent to the apparent owner not more than 180 or less than 90 days before filing report of abandoned property.

Act 325 of 2019 authorized use of the State Treasury Money Management Trust by the auditor.

Act 492 of 2019 allowed the auditor to sell securities upon receipt.

Act 77 of 2021 repealed the requirement that a notice of lists of abandoned property contain a statement with the internet address of the Auditor of States Official website and the telephone number for the Auditor of State's office.

Act 86 of 2021 required the Auditor of State to transfer to the general revenues of the state eighteen million dollars (\$18,000,000) from the remaining unclaimed property funds that have been collected or held for (3) years, less the amount transferred to the State Central Services Fund.

### Revenues Generated:

Fiscal Year		
Ending June 30	Amount	%Change
2013	\$ 10,552,945	100.00
2014	\$ 10,749,336	1.86
2015	\$ 13,044,763	21.35
2016	\$ 13,045,000	0.0
2017	\$ 20,593,851	57.87
2018	\$ 21,389,378	3.86
2019	\$ 19,356,255	(9.51)
2020	\$ 23,395,269	20.87
2021	\$ 27,495,975	17.53
2022	\$ 16,300,593	(40.72)
2023	\$ 16,201,203	(0.61)
2024	\$ 15,748,601	(2.79)

### Distribution of Tax:

General Revenues

### Administered by:

State Auditor

**Cite:**

Arkansas Code (1987) 18-28-201 et seq.

**11.17 USED TIRE FEE**

A rim removal fee is charged by a tire retailer for each new or used replacement tire that replaces a tire removed from a rim. The fee shall be added to the total cost charged by the tire retailer after all applicable gross receipts or compensating use taxes have been calculated and shall be separately stated on the invoice or bill of sale. The tire retailer is allowed to retain five percent (5%) of the fee for reimbursement of administrative costs. The rim removal fees charged shall be paid monthly to the Secretary of the Department of Finance and Administration.

There is also an import fee imposed on each used tire imported into the state, which is paid by the importer to the department. A commercial generator fee is imposed upon the transaction of a commercial generator selling or delivering a new tire as part of fleet services. The commercial generator is allowed to retain five percent (5%) of the fee for reimbursement of administrative costs.

**Rate and Base:**

Rim Removal Fee-New Tire	\$3.00/Tire
Rim Removal Fee-Used Tire	\$1.00/Tire
Import Tire Fee	\$1.00/Tire
Commercial Generator Fee	\$3.00/Tire
Tire Transporter Fee	\$50.00/Licensed Vehicle
Tire Processing Facility, Tire Collection Center, and Commercial Generator Permits	Not to Exceed \$250.00 annually

**Exemptions:**

1. Solid wheel rim w/ integral rubber covering
2. Tire used on a nonmotorized bicycle, golf cart, or lawn mower
3. Large retreaded tires
4. Tires sold as part of the equipment of a new motor vehicle
5. Tires included as part of the equipment of a used vehicle if included on the used vehicle at the time of sale and in the sales price of the used vehicle

**History:**

Act 749 of 1991 established the current waste tire fees.

Act 529 of 1993 exempted imported waste tires from the one dollar (\$1.00) fee if the waste tires are being imported to a permitted waste tire processing facility.

Act 1254 of 1993 reduced the amount which may be retained by a seller of motor vehicle tires from ten percent (10%) to seven and one-half percent (7.5%).

Act 1315 of 1995 increased the amount which may be retained by the retailer from seven and one-half percent (7.5%) to ten percent (10%).

Act 1292 of 1997 increased the waste tire fee from one dollar and fifty cents (\$1.50) to one dollar and seventy-five cents (\$1.75) per tire. Allowed Solid Waste Management Districts to levy fees on the sale of new truck tires if the cost of disposal of used tires exceed one dollar and seventy-five cents (\$1.75). The additional fee is not to exceed four dollars (\$4.00) per tire.



Act 1304 of 2003 defined waste tire sites and increased the fee paid by the consumer to two dollars (\$2.00) per new automobile or truck tire and an additional three dollars (\$3.00) per truck tire.

Act 1822 of 2005 clarified 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.

Act 317 of 2017 transferred the waste tire program to the Used Tire Recycling and Accountability Program and created used tire accountability measures, incentives for recycling used tires, equal application of certain used tire fees, and reimbursement funding mechanisms for certain tires.

Act 910 of 2019 renamed the Arkansas Department of Environmental Quality as the Division of Environmental Quality.

Act 980 of 2019 amended provisions of the Used Tire Recycling and Accountability Act and the Arkansas Solid Waste Management Act. The Act distinguished between small and large tires.

Act 713 of 2023 amended the Used Tire Recycling and Accountability Act and the used tire programs.

**Revenues Generated:**

**Used Tire Recycling Fund**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 4,202,271	(1.47)
2014	\$ 4,412,011	4.99
2015	\$ 4,442,890	0.70
2016	\$ 4,632,673	4.27
2017	\$ 4,848,982	4.67
2018	\$ 433,262	(91.06)
2019	-0-	(100.00)
2020	-0-	
2021	-0-	
2022	-0-	
2023	-0-	
2024	-0-	

**Division of Environmental Quality Fee Fund**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 361,936	(2.26)
2014	\$ 376,445	4.01
2015	\$ 385,681	2.45
2016	\$ 401,532	4.11
2017	\$ 418,872	4.32
2018	\$ 249,781	(40.37)
2019	\$ 547,590	119.23
2020	\$ 547,768	0.03
2021	\$ 589,672	7.65
2022	\$ 588,395	(0.22)
2023	\$ 666,577	13.29
2024	\$ 758,574	13.80

**District Fee**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 593,678	(7.74)
2014	\$ 654,152	10.19
2015	\$ 681,833	4.23
2016	\$ 760,633	11.56
2017	\$ 967,732	27.23
2018	\$ 69,969	(92.77)
2019	-0-	(100.00)
2020	-0-	
2021	-0-	
2022	-0-	
2023	-0-	
2024	-0-	

**Used Tire Recycling Fund**

Fiscal Year Ending June 30	Amount	%Change
2017	-0-	
2018	\$ 5,783,113	100.00
2019	\$ 7,309,157	26.39
2020	\$ 8,397,645	14.89
2021	\$ 7,870,196	(6.28)
2022	\$ 7,838,817	(0.40)
2023	\$ 8,831,044	12.66
2024	\$ 9,044,794	2.42

**Distribution of Tax:**

Special Revenues – Rim Removal Fee, Import Fee, and Commercial Generator Fee  
 93% Used Tire Recycling Fund  
 7% Division of Environmental Quality Fee Fund

**Administrated By:**

Rim Removal Fee, Import Fee, and Commercial Generator Fee: Department of Finance and Administration Revenue Services Division  
 Processing Facility Permit: Division of Environmental Quality

**Cite:**

Arkansas Code (1987) 8-9-401 et seq.

## 11.18 WHEAT ASSESSMENT

The wheat assessment is collected by the Secretary of the Department of Finance and Administration from the producer of wheat at the first point of sale or when the wheat enters the United States Department of Agriculture loan program.

**Rate and Base:**

One cent (1¢) per bushel on all wheat grown in state

**Exemptions:**

This assessment does not apply to persons who purchase one thousand (1,000) bushels or less in any calendar year.

A producer may request and receive a refund of the amount deducted from the sale of wheat if written application is made within forty-five days (45) days from the date of sale, supported by copies of sales slips signed by the purchaser and filed before annual accounting is made of the funds not later than July 1 of each year

**History:**

Act 283 of 1985 authorized the wheat assessment at a rate of one-half cent (1/2¢) per bushel. The wheat assessment is effective beginning on and after November 1, 1985.

Act 107 of 1995 increased the assessment on each bushel of wheat from one-half cent (1/2¢) to one cent (1¢).

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2013	\$ 167,985	(57.61)
2014	\$ 383,245	128.14
2015	\$ 255,227	(33.40)
2016	\$ 149,127	(41.57)
2017	\$ 86,492	(42.00)
2018	\$ 87,474	1.14
2019	\$ 71,118	(18.70)
2020	\$ 25,238	(64.51)
2021	\$ 36,640	45.18
2022	\$ 84,490	130.60
2023	\$ 99,191	17.40
2024	\$ 115,022	15.96

**Distribution of Tax:**

Special revenues for credit to the Arkansas Wheat Promotion Board less not more than 3% to cover cost of collections.

**Administered by:**

Department of Finance and Administration

**Cite:**

Arkansas Code (1987) 2-20-601 et seq.

## 11.19 INDUSTRIAL HEMP

The Arkansas Industrial Hemp Production Act authorized the Department of Agriculture to develop a plan to monitor and regulate the industrial hemp production program in the state and required the State Plant Board to adopt rules to implement the act, including without limitation a fee for licenses. Fees collected under the act are not refundable and may be used by the department and the board to administer the program.

**Rate and Base:**

Application Fee.....	\$ 50
License Fee.....	\$ 200
Site Modification Fee.....	\$ 200
Applied Acreage Fee (Grower License).....	\$ 50 – \$ 1,000
Applied Greenhouse Fee (Grower License).....	\$ 100 each
GPS Verification Fee (each storage location ID).....	\$ 100 each
Applied Processor/Handler Fee (Processor/Handler License).....	\$ 500–\$ 1,500
Harvest/Compliance	
Sampling Fee (Grower License).....	\$100 each

**Exemptions:**

None

**History:**

Act 565 of 2021 amended the law regarding industrial hemp production to repeal the Arkansas Industrial Hemp Act and to establish the Arkansas Industrial Hemp Production Act. The act requires the Department of Agriculture to develop a plan to monitor and regulate the industrial hemp production program in the state and to submit the state plan to the United States Secretary of Agriculture. The act requires the State Plant Board to adopt rules to implement the act and address the licensure, records, inspection and sampling, testing, reporting, transportation, and eligibility to participate related to the industrial hemp.

**Revenues Generated:**

Fiscal Year Ending June 30	Amount	%Change
2020	\$ 62,000	
2021	\$ 54,400	(12.26)
2022	\$ 52,350	(3.77)
2023	\$ 18,250	(65.14)
2024	\$ 13,800	(24.38)

**Distribution of Tax:**

Department of Agriculture and State Plant Board

**Administered By:**

Department of Agriculture and State Plant Board

**Cite:**

Arkansas Code (1987) 2-15-501 et seq.

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