

Arkansas State Taxability Matrix

version 2014.3

Effective Date: September 29, 2014

Completed by: Sales and Use Tax Section

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The Taxability Matrix contains four sections that must be completed: Section A – Administrative Definitions, Section B – Sales Tax Holidays, Section C – Product Definitions and Section D – Best Practices.

Instructions for Sections A, B and C of the Taxability Matrix

Each of the items listed in Sections A, B and C below are defined in the Library of Definitions in the Streamlined Sales and Use Tax Agreement (SSUTA) as amended through May 15, 2014. Refer to Appendix C of the SSUTA for each definition.

Place an "X" in the appropriate column under the heading "Treatment of definition" to indicate the treatment of each definition in your state. If a product definition was not adopted by your state, enter "NA" in the column under the heading "Reference" and indicate in the "Treatment of definition" columns the treatment of the product in your state. In accordance with the SSUTA, your state must adopt the definitions in the Library of Definitions that apply to your state without qualifications, except for those allowed by the SSUTA. For this reason, do not enter any comments or qualifications in the two columns under the heading "Treatment of definition." If your state has adopted a definition in the Library of Definitions with a qualification not specified in the SSUTA, do not place an "X" in either column under the heading "Treatment of definition" but include a comment in the "Reference" column explaining the qualification. Enter the applicable statute/rule cite in the "Reference" column.

Instructions for Section D of the Taxability Matrix

With respect to Section D, "best practices" have been approved by the Streamlined Sales Tax Governing Board (SSTGB) for each of the products, procedures, services, or transactions identified pursuant to Section 335 of the Streamlined Sales and Use Tax Agreement (SSUTA), as amended through May 15, 2014.

Use of the term "State" in each practice refers to the state completing the matrix.

Place an "X" in the appropriate column to indicate whether your State does or does not follow each practice identified.

For each practice identified in this matrix and further described in Appendix E of the SSUTA which your State follows, place an "X" in the "Yes" column and enter the statute or rule that applies to your state's treatment of this "best practice" in the References and Comments column.

For each practice identified in this matrix and further described in Appendix E of the SSUTA that your State does not follow, place an "X" in the "No" column and, if necessary, describe in the References and Comments column your state's practice in this area.

Conformance to a "best practice" by a state is voluntary and no state shall be found not in compliance with the Agreement if it does not follow a best practice adopted by the Governing Board.

Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales and use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state relative to treatment of the terms defined in Sections A, B and C and the best practices indicated in Section D.

SSTGB Form F0014 (Revised May 15, 2014)

| Administrative Definitions | | Treatment | | Reference | |
|----------------------------|---|-------------------------|-------------------------|-------------------------------------|---------|
| Reference Number | Sales price: Identify how the options listed below are treated in your state. The following options may be excluded from the definition of sales price only if they are separately stated on the bill to the purchaser. | Included in Sales Price | Excluded in Sales Price | Statute/Rule Cite | Comment |
| 10010 | Charges by the seller for any services necessary to complete the sale other than delivery and installation | X | | A.C.A. 26-52-103(13), 26-53-102(13) | |

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|---|---|--------------------------------|--------------------------------|--|---|
| 10070 | Telecommunication nonrecurring charges | X | | A.C.A. 26-52-103(13), 26-53-102(13) | |
| 10040 | Installation charges | | X | A.C.A. 26-52-103(13), 26-53-102(13) A.C.A. 26-52-301(3)(B) | Taxable if installation is a taxable service |
| 10060 | Value of trade-in | X | | A.C.A. 26-52-103(13), 26-53-102(13) A.C.A. 26-52-510. | No credit for trade-in is allowed unless specifically provided by statute |
| Reference Number | Delivery Charges for personal property or services other than direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the bill to the purchaser. | Included in Sales Price | Excluded in Sales Price | Statute/Rule Cite | Comment |
| 11000 | Handling, crating, packing, preparation for mailing or delivery, and similar charges | X | | A.C.A. 26-52-103(6), 26-52-103(13) | |
| 11010 | Transportation, shipping, postage, and similar charges | X | | A.C.A. 26-52-103(6), 26-52-103(13) | |
| Reference Number | Delivery Charges for direct mail. The following charges are included in the definition of sales price unless your state excludes them from sales price when such charges are separately stated on the bill to the purchaser. | Included in Sales Price | Excluded in Sales Price | Statute/Rule Cite | Comment |
| 11020 | Handling, crating, packing, preparation for mailing or delivery, and similar charges | | X | GR-10.1 and GR-11.1 | |
| 11021 | Transportation, shipping, and similar charges | | X | GR-10.1 and GR-11.1 | |
| 11022 | Postage | | X | GR-10.1 and GR-11.1 | |
| Reference Number | STATE and LOCAL TAXES - A state may exclude from the sales price any or all state and local taxes on a retail sale that are imposed on the seller, if the state statute authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. Sales and use taxes are not included in the sales price. If applicable list all state and local taxes, other than sales and use taxes imposed on the seller that your state excludes from sales price under this provision. | Included in Sales Price | Excluded in Sales Price | Statute/Rule Cite | Comment |
| 11110 | | X | | A.C.A. 26-52-103(13)(a)(ii); GR-3 | |
| Reference Number | TRIBAL TAXES - A state may exclude from the sales price tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. If applicable list all tribal taxes on a retail sale that are imposed on the seller if the Tribal law authorizing or imposing the tax provides that the seller may, but is not required, to collect such tax from the consumer. The tax must be separately stated on the invoice, bill of sale or similar document given to the purchaser. | Included in Sales Price | Excluded in Sales Price | Statute/Rule Cite | Comment |
| 11120 | | X | | A.C.A. 26-52-103(13)(a)(ii); GR-3 | |
| Description... | | Treatment | | Reference | |
| Sales Tax Holidays | | Yes | No | Rule Description... | Comment Description... |
| Sales Tax Holidays: Does your state have a sales tax holiday? | | X | | | |
| Reference Number | If yes, indicate the tax treatment during your state sales tax holiday for the following products. | Amount of Threshold | Taxable | Exempt | Statute/Rule Cite |
| | | | | | Comment |

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| 20060 | • All Energy star qualified products | \$ 0 | X | | | |
| 20150 | N/A | \$ 0 | X | | | |
| 20160 | Specific Disaster preparedness general supply | \$ 0 | X | | | |
| 20170 | Specific Disaster preparedness safety supply | \$ 0 | X | | | |
| 20180 | Specific Disaster preparedness food-related supply | \$ 0 | X | | | |
| 20190 | Specific Disaster preparedness fastening supply | \$ 0 | X | | | |
| 20070 | School supply | \$ 0 | | X | A.C.A. 26-52-444, Rule 2012-2 | |
| 20080 | School art supply | \$ 0 | | X | A.C.A. 26-52-444, Rule 2012-2 | |
| 20090 | School instructional material. | \$ 0 | | X | A.C.A. 26-52-444, Rule 2012-2 | |
| 20100 | School computer supply | \$ 0 | X | | | |
| Reference Number | Other products defined in Part II of the Library of Definitions included in your state sales tax holiday. | Amount | Taxable | Exempt | Statute/Rule Cite | Comment |
| 20130 | Clothing | \$ 100 | | X | A.C.A. 26-52-444, Rule 2012-2 | |
| 20110 | Computers | \$ 0 | X | | | |
| 20120 | Prewritten computer software | \$ 0 | X | | | |
| 20120 | Clothing accessories and equipment | \$ 50 | | X | A.C.A. 26-52-444, Rule 2012-2 | |
| 20120 | N/A | \$ 0 | | | | |
| Product Definitions | | | Treatment | | Reference | |
| Reference Number | Clothing and related products | | Taxable | Exempt | Statute/Rule Cite | Comment |
| 20010 | Clothing | | X | | A.C.A. 26-52-444, Rule 2012-2 | Clothing is exempt only during the sales tax holiday |
| 20015 | Essential clothing priced below a state specific threshold | | X | | N/A | |
| 20050 | Fur clothing | | X | | N/A | |
| 20020 | Clothing accessories or equipment | | X | | A.C.A. 26-52-444, Rule 2012-2 | Clothing accessories or equipment are exempt only during the sales tax holiday |
| 20030 | Protective equipment | | X | | A.C.A. 26-52-434, 26-53-142, GR-31.1 | Generally taxable as TPP unless a specific exemption applies, i.e., volunteer fire departments |
| 20040 | Sport or recreational equipment | | X | | N/A | |
| Reference Number | Computer related products | | Taxable | Exempt | Statute/Rule Cite | Comment |

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|-------------------------|---|----------------|---------------|---|--|
| 30100 | Computer | X | | A.C.A. 26-52-301(1), 26-52-304, 26-53-109 | |
| 30040 | Prewritten computer software | X | | A.C.A. 26-52-304, GR-25, 26-53-109. | Computer software is taxable if it is delivered on TPP. |
| 30050 | Prewritten computer software delivered electronically | | X | A.C.A. 26-52-304, 26-53-109 | |
| 30060 | Prewritten computer software delivered via load and leave | | X | A.C.A. 26-52-304, 26-53-109 | |
| 30015 | Non-prewritten (custom) computer software | | X | GR-25 and GR-93. | Custom software is considered a nontaxable programming service. However, if TPP is provided in conjunction with the service, then the bundled transaction rules apply |
| 30025 | Non-prewritten (custom) computer software delivered electronically | | X | | See above. |
| 30035 | Non-prewritten (custom) computer software delivered via load and leave | | X | | See above |
| Reference Number | Mandatory computer software maintenance contracts | Taxable | Exempt | Statute/Rule Cite | Comment |
| 30200 | Mandatory computer software maintenance contracts with respect to prewritten computer software | | X | A.C.A. 26-52-304(d) | |
| 30210 | Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered electronically. | | X | N/A | |
| 30220 | Mandatory computer software maintenance contracts with respect to prewritten computer software which is delivered via load and leave | | X | N/A | |
| 30230 | Mandatory computer software maintenance contracts with respect to non-prewritten (custom) computer software | | X | GR-25 and GR-93. | NA – Custom software is considered a nontaxable programming service. However, if TPP is provided in conjunction with the service, then the bundled transaction rules apply |
| 30240 | Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered electronically | | X | N/A | |
| 30250 | Mandatory computer software maintenance contracts with respect to non-prewritten (custom) software which is delivered via load and leave | | X | N/A | |
| Reference Number | Optional computer software maintenance contracts | Taxable | Exempt | Statute/Rule Cite | Comment |
| 30300 | Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades with respect to the software | | X | A.C.A. 26-52-304(d) | |
| 30310 | Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered electronically with respect to the software | | X | N/A | |
| 30320 | Optional computer software maintenance contracts with respect to prewritten computer software that only provide updates or upgrades delivered via load and leave with respect to the software | | X | N/A | |
| 30330 | Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades with respect to the software | | X | GR-25 and GR-93. | Custom software is considered a nontaxable programming service. However, if TPP is provided in conjunction with the service, then the bundled transaction rules apply. |

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| 30340 | Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered electronically with respect to the software | | X | N/A | |
| 30350 | Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide updates or upgrades delivered via load and leave with respect to the software | | X | N/A | |
| 30360 | Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that only provide support services to the software | | X | | |
| 30370 | Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades and support services to the software | | X | GR-25 and GR-93. | Custom software is considered a nontaxable programming service. However, if TPP is provided in conjunction with the service, then the bundled transaction rules apply. |
| 30380 | Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software that provide updates or upgrades delivered electronically and support services to the software | | X | N/A | |
| 30390 | Optional computer software maintenance contracts with respect to non-prewritten (custom) computer software provide updates or upgrades delivered via load and leave and support services to the software | | X | N/A | |
| Reference Number | Indicate your state's tax treatment for optional computer software maintenance contracts with respect to prewritten computer software sold for one non-itemized price that include updates and upgrades and/or support services. Use percentages in the taxable and exempt columns to denote tax treatment in your state. For example: if all taxable put 100% in the taxable column; if all nontaxable/exempt put 100% in the exempt column; if 50% taxable and 50% nontaxable/exempt put 50% in the taxable column and 50% in the exempt column. | Taxable | Exempt | Statute/Rule Cite | Comment |
| 30400 | Optional computer software maintenance contracts with respect to prewritten computer software that provide updates or upgrades and support services to the software | 0% | 100% | A.C.A. 26-52-304(d) | |
| 30410 | Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered electronically and support services to the software | 0% | 100% | N/A | |
| 30420 | Optional computer software maintenance contracts with respect to prewritten computer software that provide updates and upgrades delivered via load and leave and support services to the software | 0% | 100% | N/A | |
| 30430 | Optional computer software maintenance contracts with respect to prewritten computer software that only provide support services to the software | 0% | 100% | N/A | |
| Reference Number | Digital products(excludes telecommunications services, ancillary services and computer software) | Yes | No | Statute/Rule Cite | Comment |
| 31000 | A state imposing tax on products "transferred electronically" is not required to adopt definitions for specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) Does your state impose tax on products transferred electronically other than digital audio visual works, | | X | | |

| Reference Number | digital audio works, or digital books? For transactions other than those included above, a state must specifically impose and separately enumerate a broader imposition of the tax. Does your state impose tax on: | Yes | No | Statute/Rule Cite | Comment |
|------------------|--|---------|--------|---|--|
| 31065 | Digital audio visual works sold to users other than the end user. | | X | N/A | |
| 31050 | Digital audio visual works sold with rights of use less than permanent use... | | X | N/A | |
| 31060 | Digital audio visual works sold with rights of use conditioned on continued payment. | | X | N/A | |
| 31095 | Digital audio works sold to users other than the end user. | | X | N/A | |
| 31080 | Digital audio works sold with rights of use less than permanent. | | X | N/A | |
| 31090 | Digital audio works sold with rights of use conditioned on continued payments. | | X | N/A | |
| 31125 | Digital books sold to users other than the end user. | | X | N/A | |
| 31110 | Digital books sold with rights of use less than permanent. | | X | N/A | |
| 31120 | Digital books sold with rights of use conditioned on continued payments. | | X | N/A | |
| 31121 | Does your state treat subscriptions to products "transferred electronically" differently than a non-subscription purchase of such product? | | X | A.C.A. 26-52-301(3)(C). | Television, video, and radio broadcasting services are taxable when sold in a digital format by subscription only. |
| Reference Number | Digital products(excludes telecommunications services, ancillary services and computer software) | Taxable | Exempt | Statute/Rule Cite | Comment |
| 31040 | Digital audio visual works sold to an end user with rights for permanent use | | X | N/A | |
| 31070 | Digital audio works sold to an end user with rights for permanent use | | X | N/A | |
| 31100 | Digital books sold to an end user with rights for permanent use | | X | N/A | |
| Reference Number | Section 332H provides that states may have product based exemptions for specific items within specified digital products. ("Specified digital products" includes the defined terms: digital audio visual works; digital audio works; and digital books.) List product based exemptions for specific items included in specified digital products. Example: digital textbooks | Taxable | Exempt | Statute/Rule Cite | Comment |
| 32000 | N/A | | | | |
| Reference Number | Food and food products | Taxable | Exempt | Statute/Rule Cite | Comment |
| 40010 | Candy | X | | A.C.A. 26-52-103(12), 26-52-317(c), 26-53-102(5), 26-53-145 | |
| 40020 | Dietary Supplements | X | | A.C.A. 26-52-103(7), 26-52-317(c), 26-53-102(3), 26-53-145 | |
| 40030 | Food and food ingredients excluding alcoholic beverages and tobacco | X | | A.C.A. 26-52-103(12), 26-52-317(c), 26-53-102(5), 26-53-145 | |
| 40040 | Food sold through vending machines | | X | N/A - A.C.A. 26-57-1001 et seq. | TPP sold through a vending device is administered separately. |
| 40050 | Soft Drinks | X | | A.C.A. 26-52-103(12), 26-52-317(c), 26-53-102(5), 26-53-145 | |
| 40060 | Bottled Water | X | | A.C.A. 26-52-103(12), 26-52-317(c), 26-53-102(5), 26-53-145 | |

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| 41000 | Prepared Food | X | | A.C.A. 26-52-103(17), 26-52-317(c), 26-53-102(9), 26-53-145 | |
| Reference Number | Prepared food options - The following food items heated, mixed or combined by the seller are included in the definition of prepared food unless a state elects to exclude them from the definition of prepared food. Such food items excluded from prepared food are taxed the same as food and food ingredients. (Indicate how the options for the following food items that otherwise meet the definition of prepared food are treated in your state.) | Included in Prepared Food | Excluded From Prepared Food | Statute/Rule Cite | Comment |
| 41010 | Food sold without eating utensils provided by the seller whose primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries) | X | | A.C.A. 26-52-103(17), 26-52-317, 26-53-102(9), 26-53-145 | |
| 41020 | Food sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item | X | | A.C.A. 26-52-103(17), 26-52-317, 26-53-102(9), 26-53-145 | |
| 41025 | Meat or seafood products sold without eating utensils provided by the seller in an unheated state by weight or volume as a single item | X | | Ark. Code Ann. §26-52-103(17); Ark. Code Ann. §26-52-317(b)(2) | |
| 41030 | Bakery items sold without eating utensils provided by the seller, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, tortillas | X | | A.C.A. 26-52-103(17), 26-52-317, 26-53-102(9), 26-53-145 | |
| 41040 | Food sold without eating utensils provided by the seller that ordinarily requires cooking (as opposed to just reheating) by the consumer prior to consumption | X | | Ark. Code Ann. §26-52-103(17); Ark. Code Ann. §26-52-317(b)(2) | |
| Reference Number | Health-care products Drugs (indicate how the options are treated in your state) Drugs for human use | Taxable | Exempt | Statute/Rule Cite | Comment |
| 51010 | Drugs for human use without a prescription | X | | A.C.A. 26-52-406, GR-38 | |
| 51020 | Drugs for human use with a prescription | | X | A.C.A. 26-52-406, GR-38 | |
| 51050 | Insulin for human use without a prescription | | X | A.C.A. 26-52-419 | |
| 51060 | Insulin for human use with a prescription | | X | A.C.A. 26-52-419 | |
| 51090 | Medical oxygen for human use without a prescription | X | | A.C.A. 26-52-406 | |
| 51100 | Medical oxygen for human use with a prescription | | X | A.C.A. 26-52-406, GR-38 | |
| 51130 | Over-the-counter drugs for human use without a prescription | X | | A.C.A. 26-52-406, GR-38 | |
| 51140 | Over-the-counter drugs for human use with a prescription | X | | A.C.A. 26-52-406, GR-38 | |
| 51170 | Grooming and hygiene products for human use that don't meet the definition of "drug" | X | | A.C.A. 26-52-406, GR-38 | |
| 51171 | Grooming and hygiene products for human use that meet the definition of "drug" without a prescription | X | | A.C.A. 26-52-406, GR-38 | |
| 51172 | Grooming and hygiene products for human use that meet the definition of "drug" with a prescription | | X | A.C.A. 26-52-406, GR-38 | The exemption applies to grooming and hygiene products that can only be obtained with a prescription. |
| 51190 | Drugs for human use to hospitals | X | | A.C.A. 26-52-406, GR-38 | |
| 51195 | Drugs for human use to other medical facilities | X | | A.C.A. 26-52-406, GR-38 | |
| 51200 | Prescription drugs for human use to hospitals | | X | A.C.A. 26-52-406 | |

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| 51205 | Prescription drugs for human use to other medical facilities | | X | A.C.A. 26-52-406, GR-38 | |
| 51240 | Free samples of drugs for human use | X | | A.C.A. 26-52-406, GR-38 | |
| 51250 | Free samples of prescription drugs for human use | | X | A.C.A. 26-52-406, GR-38 | |
| Reference Number | Drugs for animal use | Taxable | Exempt | Statute/Rule Cite | Comment |
| 51030 | Drugs for animal use without a prescription | X | | A.C.A. 26-52-404, 26-52-405 | Limited exemption for livestock and poultry |
| 51040 | Drugs for animal use with a prescription | X | | A.C.A. 26-52-404, 26-52-405 Rule 2010-1 | Limited exemption for livestock and poultry Not taxable if sold as part of a nontaxable veterinary service |
| 51070 | Insulin for animal use without a prescription | X | | NA | |
| 51080 | Insulin for animal use with a prescription | X | | NA | |
| 51110 | Medical oxygen for animal use without a prescription | X | | NA | |
| 51120 | Medical oxygen for animal use with a prescription | X | | NA | |
| 51150 | Over-the-counter drugs for animal use without a prescription | X | | NA | |
| 51160 | Over-the-counter drugs for animal use with a prescription | X | | NA | |
| 51180 | Grooming and hygiene products for animal use | X | | NA | |
| 51210 | Drugs for animal use to veterinary hospitals and other animal medical facilities | X | | NA | |
| 51220 | Prescription drugs for animal use to hospitals and other animal medical facilities | X | | NA | |
| 51260 | Free samples of drugs for animal use | X | | NA | |
| 51270 | Free samples of prescription drugs for animal use | X | | NA | |
| Reference Number | Durable medical equipment (indicate how the options are treated in your state) | Taxable | Exempt | Statute/Rule Cite | Comment |
| 52010 | Durable medical equipment, not for home use, without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52020 | Durable medical equipment, not for home use, with a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52030 | Durable medical equipment, not for home use, with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52040 | Durable medical equipment, not for home use, with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52050 | Durable medical equipment, not for home use, with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52060 | Durable medical equipment, not for home use, with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52070 | Durable medical equipment for home use without a prescription | X | | A.C.A. 26-52-433(b)(2)(A)(v), 26-53-141 | |
| 52080 | Durable medical equipment for home use with a prescription | | X | A.C.A. 26-52-433(b)(2)(A)(v), 26-53-141 | |
| 52090 | Durable medical equipment for home use with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52100 | Durable medical equipment for home use with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |

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| 52110 | Durable medical equipment for home use with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52120 | Durable medical equipment for home use with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52130 | Oxygen delivery equipment, not for home use, without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52140 | Oxygen delivery equipment, not for home use, with a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52150 | Oxygen delivery equipment, not for home use, with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52160 | Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52170 | Oxygen delivery equipment, not for home use, with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52180 | Oxygen delivery equipment, not for home use, with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52190 | Oxygen delivery equipment for home use without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52200 | Oxygen delivery equipment for home use with a prescription | | X | A.C.A. 26-52-433, 26-53-141 | |
| 52210 | Oxygen delivery equipment for home use with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52220 | Oxygen delivery equipment for home use with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52230 | Oxygen delivery equipment for home use with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52240 | Oxygen delivery equipment for home use with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52250 | Kidney dialysis equipment, not for home use, without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52260 | Kidney dialysis equipment, not for home use, with a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52270 | Kidney dialysis equipment, not for home use, with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52280 | Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52290 | Kidney dialysis equipment, not for home use, with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52300 | Kidney dialysis equipment, not for home use, with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52310 | Kidney dialysis equipment for home use without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52320 | Kidney dialysis equipment for home use with a prescription | | X | A.C.A. 26-52-433, 26-53-141 | |
| 52330 | Kidney dialysis equipment for home use with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52340 | Kidney dialysis equipment for home use with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52350 | Kidney dialysis equipment for home use with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52360 | Kidney dialysis equipment for home use with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |

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| 52370 | Enteral feeding systems, not for home use, without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52380 | Enteral feeding systems, not for home use, with a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52390 | Enteral feeding systems, not for home use, with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52400 | Enteral feeding systems, not for home use, with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52410 | Enteral feeding systems, not for home use, with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52420 | Enteral feeding systems, not for home use, with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52430 | Enteral feeding systems for home use without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 52440 | Enteral feeding systems for home use with a prescription | | X | A.C.A. 26-52-433, 26-53-141 | |
| 52450 | Enteral feeding systems for home use with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52460 | Enteral feeding systems for home use with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 52470 | Enteral feeding systems for home use with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52480 | Enteral feeding systems for home use with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 52490 | Repair and replacement parts for durable medical equipment which are for single patient use | | X | A.C.A. 26-52-433, 26-53-141 | If the durable medical equipment meets the requirements for exemption, the repair and replacement parts will be exempt |
| Reference Number | Mobility enhancing equipment (indicate how the options are treated in your state) | Taxable | Exempt | Statute/Rule Cite | Comment |
| 53010 | Mobility enhancing equipment without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 53020 | Mobility enhancing equipment with a prescription | | X | A.C.A. 26-52-433, 26-53-141 | |
| 53030 | Mobility enhancing equipment with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 53040 | Mobility enhancing equipment with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 53050 | Mobility enhancing equipment with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 53060 | Mobility enhancing equipment with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| Reference Number | Prosthetic devices (indicate how the options are treated in your state) | Taxable | Exempt | Statute/Rule Cite | Comment |
| 54010 | Prosthetic devices without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 54020 | Prosthetic devices with a prescription | | X | A.C.A. 26-52-433, 26-53-141 | |
| 54030 | Prosthetic devices with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54040 | Prosthetic devices with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54050 | Prosthetic devices with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 54060 | Prosthetic devices with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |

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| 54070 | Corrective eyeglasses without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 54080 | Corrective eyeglasses with a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 54090 | Corrective eyeglasses with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54100 | Corrective eyeglasses with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54110 | Corrective eyeglasses with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 54120 | Corrective eyeglasses with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 54130 | Contact lenses without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 54140 | Contact lenses with a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 54150 | Contact lenses with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54160 | Contact lenses with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54170 | Contact lenses with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 54180 | Contact lenses with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 54190 | Hearing aids without a prescription | X | | A.C.A. 26-52-433, 26-53-141 | |
| 54200 | Hearing aids with a prescription | | X | A.C.A. 26-52-433, 26-53-141 | |
| 54210 | Hearing aids with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54220 | Hearing aids with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54230 | Hearing aids with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 54240 | Hearing aids with a prescription reimbursed by Medicaid. | | X | A.C.A. 26-52-401(20) | |
| 54250 | Dental prosthesis without a prescription | X | | A.C.A. 26-52-446, 26-53-141,17-82-105 | |
| 54260 | Dental prosthesis with a prescription | | X | A.C.A. 26-52-446, 26-53-141, 17-82-105 | Dental appliances made for a specific patient sold to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist are exempt. |
| 54270 | Dental prosthesis with a prescription paid for by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54280 | Dental prosthesis with a prescription reimbursed by Medicare | | X | A.C.A. 26-52-401(20) | |
| 54290 | Dental prosthesis with a prescription paid for by Medicaid | | X | A.C.A. 26-52-401(20) | |
| 54300 | Dental prosthesis with a prescription reimbursed by Medicaid | | X | A.C.A. 26-52-401(20) | |
| Reference Number | Telecommunications & related products | Taxable | Exempt | Statute/Rule Cite | Comment |
| 60010 | Ancillary Services | X | | A.C.A. 26-52-315, GR-7 | |
| 60020 | Conference bridging service | X | | A.C.A. 26-52-315, GR-7 | |
| 60030 | Detailed telecommunications billing service | X | | A.C.A. 26-52-315, GR-7 | |
| 60040 | Directory assistance | X | | A.C.A. 26-52-315, GR-7 | |
| 60050 | Vertical service | X | | A.C.A. 26-52-315, GR-7 | |
| 60060 | Voice mail service | X | | A.C.A. 26-52-315, GR-7 | |

| Reference Number | Telecommunications (Indicate how the options are treated in your state) | Taxable | Exempt | Statute/Rule Cite | Comment |
|--|---|---|--------|---|---------|
| 61000 | Intrastate Telecommunications Service | X | | A.C.A. 26-52-315 | |
| 61010 | Interstate Telecommunications Service | X | | A.C.A. 26-52-315 | |
| 61020 | International Telecommunications Service | X | | A.C.A. 26-52-315 | |
| 61030 | International 800 service | | X | A.C.A. 26-52-315 | |
| 61040 | International 900 service | | X | A.C.A. 26-52-315 | |
| 61050 | International fixed wireless service | X | | A.C.A. 26-52-315, GR-7 | |
| 61060 | International mobile wireless service | X | | A.C.A. 26-52-315, GR-7 | |
| 61080 | International prepaid calling service | X | | A.C.A. 26-52-314, 26-52-315 | |
| 61090 | International prepaid wireless calling service | X | | A.C.A. 26-52-314, 26-52-315 | |
| 61100 | International private communications service | | X | A.C.A. 26-52-315 | |
| 61110 | International value-added non-voice data service | X | | A.C.A. 26-52-315, GR-7 | |
| 61120 | International residential telecommunications service | X | | A.C.A. 26-52-315 | |
| 61130 | Interstate 800 service | | X | A.C.A. 26-52-315 | |
| 61140 | Interstate 900 service | | X | A.C.A. 26-52-315 | |
| 61150 | Interstate fixed wireless service | X | | A.C.A. 26-52-315, GR-7 | |
| 61160 | Interstate mobile wireless service | X | | A.C.A. 26-52-315, GR-7 | |
| 61180 | Interstate prepaid calling service | X | | A.C.A. 26-52-314, 26-52-315 | |
| 61190 | Interstate prepaid wireless calling service | X | | A.C.A. 26-52-314, 26-52-315 | |
| 61200 | Interstate private communications service | | X | A.C.A. 26-52-315 | |
| 61210 | Interstate value-added non-voice data service | X | | A.C.A. 26-52-315, GR-7 | |
| 61220 | Interstate residential telecommunications service | X | | A.C.A. 26-52-315 | |
| 61230 | Intrastate 800 service | X | | A.C.A. 26-52-315 | |
| 61240 | Intrastate 900 service | X | | A.C.A. 26-52-315 | |
| 61250 | Intrastate fixed wireless service | X | | A.C.A. 26-52-315 | |
| 61260 | Intrastate mobile wireless service | X | | A.C.A. 26-52-315, GR-7 | |
| 61280 | Intrastate prepaid calling service | X | | A.C.A. 26-52-315, GR-7 | |
| 61290 | Intrastate prepaid wireless calling service | X | | A.C.A. 26-52-314, 26-52-315 | |
| 61300 | Intrastate private communications service | X | | A.C.A. 26-52-314, 26-52-315 | |
| 61310 | Intrastate value-added non-voice data service | X | | A.C.A. 26-52-315, GR-7 | |
| 61320 | Intrastate residential telecommunications service | X | | A.C.A. 26-52-315 | |
| 61325 | Paging service | X | | A.C.A. 26-52-315, GR-7 | |
| 61330 | Coin-operated telephone service | X | | N/A | |
| 61340 | Pay telephone service | X | | N/A | |
| 61350 | Local Service as defined by _____(state) | X | | N/A | |
| D. Best Practices on Vouchers from Appendix E | | Does Your State Follow this Best Practice? | | Add Additional Comments if Desired. If You Answered No, Describe the Difference Between the Best Practice as Adopted by the Governing Board and Your State's | |

| | | Treatment | | | |
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| Reference Number | Best Practice 1 – Vouchers | Yes | No | Statute/Rule Cite | Comment |
| | | Vouchers 1.1 | The member state administers the difference between the value of a voucher allowed by the seller and the amount the purchaser paid for the voucher as a discount that is not included in the sales price (i.e., same treatment as a seller's in-store coupon), provided the seller is not reimbursed by a third party, in money or otherwise, for some or all of that difference. | X | |
| Vouchers 1.2 | The member state provides that when the discount on a voucher will be fully reimbursed by a third party the seller is to use the face value of the voucher (i.e., same as the treatment of a manufacturer's coupon) and not the price paid by the purchaser as the measure (sales price) that is subject to tax. | X | | Ark. Code Ann. § 26-52-103(13); GR-3(H) | |
| Vouchers 1.3 | The member state provides that costs and expenses of the seller are not deductible from the sales price and are included in the measure (sales price) that is subject to tax. Further, reductions in the amount of consideration received by the seller from the third party that issued, marketed, or distributed the vouchers, such as advertising or marketing expenses, are costs or expenses of the seller. | X | | Ark. Code Ann. § 26-52-103(13); GR-3(H) | |
| D. Best Practices on Credits from Appendix E | | <p>For each section, place an "X" in the YES column for the Practice your State follows. Place an "X" in the NO column if the practice does not apply in your State.</p> | | <p>For sections with only NO responses, describe your State's tax treatment. Additional comments may be added for any response.</p> | |
| Reference Number | Best Practice 2 – Credits | Yes | No | Statute/Rule Cite | Comment |
| Definition | "Tax Paid" means the tax that was (1) paid and (2) previously due from either the seller or the purchaser when the sale of that product is taxable in that state and it was properly sourced based on that state's sourcing rules. "Tax paid" includes tax that was (1) paid and (2) previously due from the purchaser (or seller, if applicable) because the purchaser moved the product to a different jurisdiction. "Tax paid" does not include the portion of tax paid that is currently eligible for a credit or refund or tax paid that is eligible for refund under a tax-incentive program or agreement. | | | Ark. Code Ann. §26-52-510; GR-12 | This is the definition upon which Arkansas relies to complete this Matrix. Note: The responses within do not apply to the treatment of motor vehicles. Arkansas does not provide credit for tax paid on the purchase of a motor vehicle to another jurisdiction in which it was not registered. |
| | 2.1 Credit Against Use Tax | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.1 | The State imposing tax on the purchaser provides credit for "sales or use taxes paid" on a product against the State's use tax. | X | | Ark. Code Ann. §26-5-101, Article V | Arkansas is a member of the Multistate Tax Compact. It follows the language of Article V of the Compact. |
| | 2.2 Credit Against Sales Tax | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.2 | The State imposing tax provides credit for the "sales or use taxes paid" on a product against the State's sales tax. | | X | Ark. Code Ann. §26-5-101, Article V | Arkansas characterizes sales or use taxes paid to another state as use tax |
| | 2.3 Reciprocity | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.3.a | The credit the State provides in 2.1 and 2.2 applies regardless of whether another state provides a reciprocal credit. | | X | Ark. Code Ann. §26-53-131 | |
| Credits 2.3.b. | The credit the State provides in 2.1 and 2.2 only applies when the other state where the tax was paid provides a reciprocal credit. | X | | Ark. Code Ann. §26-53-131 | |
| | 2.4 State and Local Sales and Use "Tax Paid" | Yes | No | Statute/Rule Cite | Comment |

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| Credits 2.4.a. | The credit provided for in 2.1 and 2.2 is for the combined amount of state and local "tax paid" to another state or local jurisdiction against both the state and local taxes due to the State. | X | | Ark. Code Ann. §26-5-101, Article V | Arkansas is a member of the Multistate Tax Compact. It follows the language of Article V of the Compact |
| Credits 2.4.b. | The credit provided for in 2.1 and 2.2 is for only the state "tax paid" to another state against the taxes due to the State (i.e., no credit for local tax against state tax). If the State has local sales or use taxes, it only provides credit for state tax against state tax and local tax against local tax. | | | | Please refer to response to Question 2.4.a. |
| | 2.5 Credit for "Similar Tax" Paid to Another Jurisdiction | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.5 | The credit provided for in 2.1 and 2.2 includes "similar taxes" that were (1) paid and (2) previously due to another state or local jurisdiction against the sales or use taxes due. If applicable, list below all known similar or like taxes the State provides credit for even if such tax does not meet the definition of a "similar tax." | | X | | Arkansas provides credit for sales and use taxes only. |
| Credits 2.5 | | | | | |
| | 2.6. Credit Against "Similar Tax" Imposed by the State | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.6 | The credit provided for in 2.1 and 2.2 includes "sales or use taxes paid" to another state or local jurisdiction against "similar taxes" due. If applicable, list below "similar taxes" imposed that the State provides credits against. | | | | Arkansas does not impose similar taxes. |
| Credits 2.6 | | | | | |
| | 2.7 Sourcing when Receipt Location is Known | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.7 | The credit provided for in 2.1 and 2.2 applies when the other state's "sales or use taxes" were (1) paid and (2) previously due based on: i) that other state's sourcing rules, or ii) the purchaser's location of use of a product subsequent to the initial sale. | X | | Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-521 | |
| | 2.8 Sourcing when Receipt Location is Unknown | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.8 | Except as provided in Credits 2.13, the credit provided for in 2.1 and 2.2 applies when the seller sources the initial sale pursuant to the SSUTA Sections 310.A.3, 310.A.4, or 310.A.5, because the location where the product was received by the purchaser was unknown to the seller. | X | | Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-521 | |
| | 2.9 Characterization of Sale | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.9 | The credit provided for in 2.1 and 2.2 applies regardless of the other state's characterization of the product as tangible personal property, a service, digital good, or product delivered electronically. | X | | Ark. Code Ann. §26-5-101, Article V | Note: Arkansas does not tax digital goods or products delivered electronically so a credit issue would not arise |
| | 2.10 Sales Price Components | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.10.a. | 2.10.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to all components of the SSUTA "sales price" definition, whether taxable or nontaxable in the State. | | X | Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-103(13)(A)(v)(b) | Arkansas uses the toggle available under the Agreement definition of "sales price" to exclude installation charges which are not a specifically taxable service if they are separately stated on the billing document. |
| Credits 2.10.b. | 2.10.b. Partial Credit Allowed - When taxable and non-taxable charges are itemized on the invoice, the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable components of | X | | Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-103(13) | |

| | the sales price in the State. | | | | |
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| | 2.11 Transactions with Taxable and Exempt Products | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.11.a. | 2.11.a. Full Credit Allowed - The credit provided for in 2.1 and 2.2 applies to the full amount of "tax paid" on a transaction consisting of taxable and exempt products. | | X | Ark. Code Ann. §26-5-101, Article V | Arkansas does not provide credit for the tax paid on products which are exempt in Arkansas. |
| Credits 2.11.b. | 2.11.b. Partial Credit Allowed - When taxable and non-taxable products are itemized on the invoice the credit provided for in 2.1 and 2.2 is only for the "tax paid" on the taxable products of a transaction in the State. | X | | Ark. Code Ann. §26-5-101, Article V | |
| | 2.12 Audit Sampling | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.12 | The credit provided for in 2.1 and 2.2 applies when the sale or purchase of the product was part of the population sampled pursuant to an audit sampling method. | X | | Ark. Code Ann. §26-5-101, Article V | |
| | 2.13 Direct Mail | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.13 | The credit provided for in 2.1 and 2.2 applies when the seller sources the sale of Advertising and Promotional Direct Mail pursuant to Section 313.A.4. | X | | Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-521 | |
| | 2.14 Accelerated Payments on Lease/Rentals | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.14 | The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on the sum of the lease payments ("accelerated basis"), against the "sales or use taxes" due on the balance of the lease/rental payments. | X | | Ark. Code Ann. §26-5-101, Article V | |
| | 2.15 Inception-Deferred Collection on Lease/Rentals | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.15 | The credit provided for in 2.1 and 2.2 includes the "tax paid" to another state or local jurisdiction on a lease/rental transaction based on a deferred collection/remittance method against the "sales or use taxes" due on the balance of the lease/rental payments. | X | | Ark. Code Ann. §26-5-101, Article V | The tax to the other state must be paid before the tax is "due" to Arkansas in order for the taxpayer to receive the credit |
| | 2.16 Lessor Acquisition | Yes | No | Statute/Rule Cite | Comment |
| Credits 2.16 | The credit provided for in 2.1 and 2.2 includes the "tax paid" by the lessor to another state or local jurisdiction on the acquisition of the product against the "sales or use taxes" due on the balance of the lease/rental payments provided the tax reimbursement is documented and disclosed to the lessee. | X | | Ark. Code Ann. §26-5-101, Article V; Ark. Code Ann. §26-52-301; Ark. Code Ann. §26-63-301 | Note: With the exception of motor vehicles, Arkansas provides credit when the property acquired is intended for long-term lease. State and local sales tax must be collected by the lessor for short-term leases of property, regardless whether tax was paid when the property was acquired. |