

Moving to Arkansas

A Tax Guide for New Residents



History of the Arkansas State Flag

Arkansas became the 25th state to join the union in 1836, and 25 white stars signify this historic event. Miss Willie K. Hocker of Wabbaseka, Arkansas, designed the original flag in 1913. The three blue stars under the word "Arkansas" represent the three nations--France, Spain, and the United States—that Arkansas had belonged to prior to Statehood. The single blue star above "Arkansas" is a Confederate Star placed there by the Legislature in 1923. The blue diamond signifies that Arkansas has the nation's only diamond mine.

Department of Finance and Administration
P. O. Box 1272
Little Rock, Arkansas 72203

Officially known as "The Natural State," a variety of interesting nicknames have been used to describe this beautiful southern state. Among them are: The Diamond State, The Land of Opportunity, The Bear State, The Cave State, The Hot Water State, The Wonder State, and The Cradle of the Ozarks.



Arkansas was part of the Louisiana Purchase in 1803 before gaining its statehood in 1836. It has a rich history, including its participation in the Confederacy during the Civil War.

The name "Arkansas" is derived from a French translation of the Quapaw Indian word "acansa," or "downstream place." The Quapaw Indians (called the "downstream people" by the French) were kin to the Sioux and lived along the Mississippi River on Arkansas' easternmost border. For more information about the history of Arkansas, please visit the Secretary of State Webpage, www.sos.arkansas.gov.

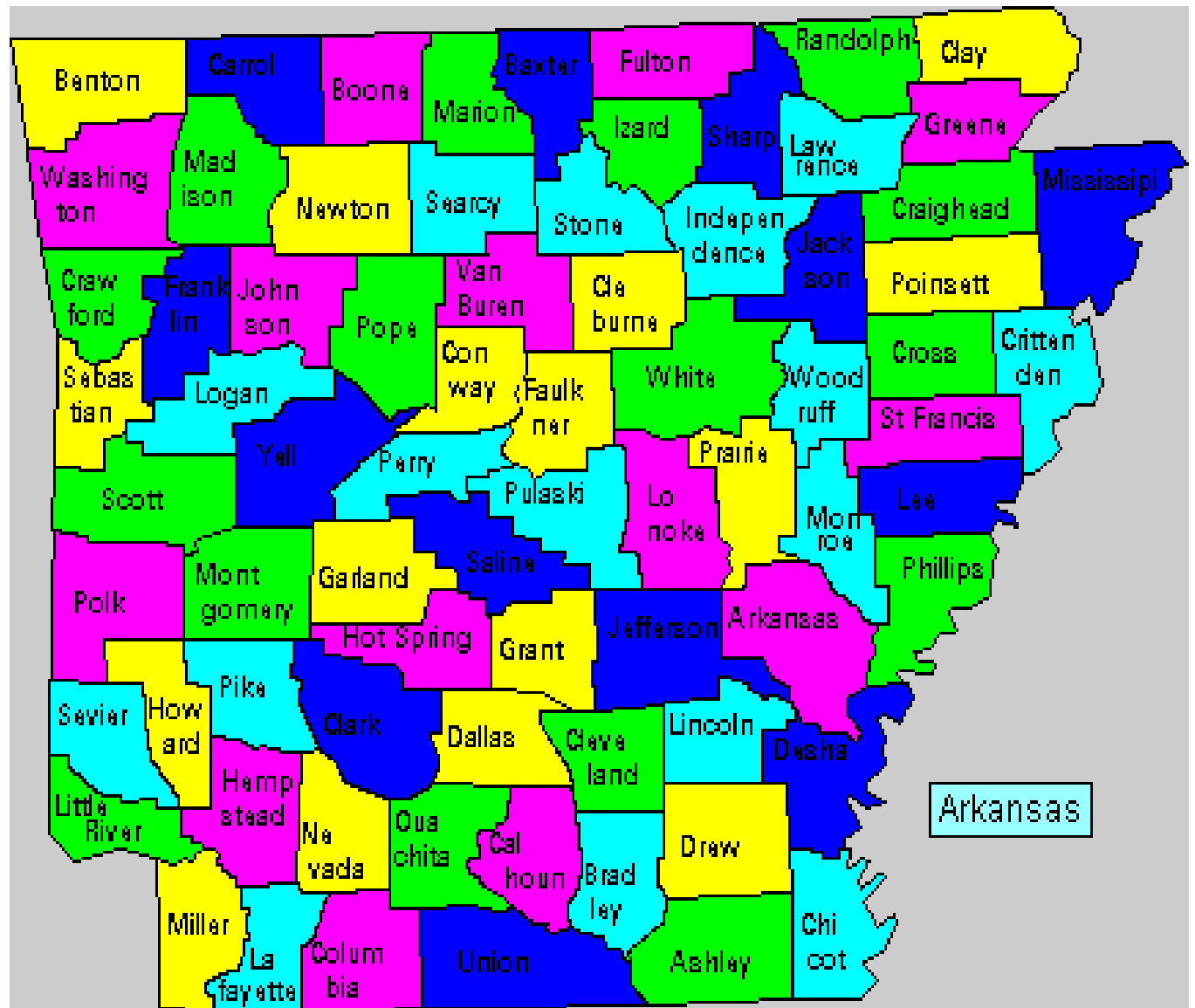
The only diamond mine in the nation is located in Murphreesboro, Arkansas, at the Crater of Diamonds State Park. Arkansas offers choice retirement communities like Hot Springs Village or Bella Vista, major tourist attractions like Oaklawn Park in historic Hot Springs, and picturesque vistas like Eureka Springs, Petit Jean Mountain, and the caverns in Blanchard Springs. Pictures of Arkansas can be viewed online at the Photo Gallery on the web page www.arkansas.com.

You may be interested in learning about the tax structure of Arkansas so that you will be aware of your obligations as a taxpaying citizen. This tax guide was prepared by the Arkansas Department of Finance and Administration's Revenue Division Taxpayer Assistance Office to acquaint new residents with state tax laws.

This tax guide was designed to help explain local taxes. It includes information on income tax, personal property tax, real estate tax, sales and use tax, and various miscellaneous taxes. It also explains how to obtain and renew a motor vehicle license and secure a driver license. The Internet website for the Arkansas Department of Finance and Administration is www.arkansas.gov/dfa. Specific questions should be addressed to:

Taxpayer Assistance Office
Joel Y. Ledbetter Building, Room 2460
P. O. Box 1272
Little Rock, AR 72203
(501) 682-7751 (office)
(501) 683-0066 (fax)
jan.moore@rev.state.ar.us

The Seventy-five Counties in Arkansas



Arkansas Facts and Folklore

STATE SYMBOLS	And Their Official Adoption Dates
Flower	Apple Blossom (1901)
Tree	Southern Pine (1939)
Bird	Mockingbird (1929)
Historic Cooking Vessel	Dutch Oven (2001)
Mammal	White Tailed Deer (1993)
Fruit/Vegetable	South Arkansas Vine Ripe Pink Tomato (1987)
Gem	Diamond (1967)
Mineral	Quartz Crystal (1967)
Rock	Bauxite (1967)
Nickname	"The Natural State" (1995)
Official Language	English (1987)
Official Songs (2)	"Arkansas (You run Deep in Me)" (1987) and "Oh, Arkansas" (1987)
Official Historic Song	"The Arkansas Traveler" (1987)
Official State Anthem	"Arkansas" (1987) (Eva Ware Barnett)
Purple Martin Capital	Lake Village-SE Purple Martin Capitol Fort Smith -NW Purple Martin Capitol (1993)
Instrument	Fiddle (1967)
Soil	Stuttgart (1997)
Insect	Honeybee (1973)
State Motto	"Regnat Populus" 1907 ("The People rule")
Beverage	Milk (1985)
American Folk Dance	Square Dance (1991)

www.sosweb.state.ar.us/educational_history_facts.html

www.ark-ives.com/historical_facts/index.php

Individual Income Tax

Income Tax Returns

Arkansas assesses an individual income tax, and its design is comparable to that of the federal income tax system administered by the Internal Revenue Service (IRS). While Arkansas generally adopts most federal income tax provisions, there are a few key differences between state and federal forms. For example, married couples have the option to file jointly or separately on their state individual income tax return(s). New taxpayers should consider both options to determine which option is to their best financial advantage. Note: The filing status of an Arkansas resident does not have to be the same as the federal filing status.

Federal changes that have not been adopted by Arkansas include:

- 1) Federal bonus depreciation;
- 2) The §179 first-year write-off deduction of capital assets increase to \$100,000; and
- 3) The dividend exclusion.

State Income Tax Filing Requirements

If you lived in Arkansas during the previous income-earning year and fall into one of the following categories, you must file an Arkansas income tax return:

Marital Status	Filing Status	Age	Gross Income
Single (including divorced and legally separated)	Single	Under 65	\$7,800
		65 and Over	\$9,300
Head of Household		Under 65	\$12,100
		65 and Older	\$13,000

Marital Status	Filing Status	Age	Gross Income
Married	Married filing joint	Both spouses under 65	\$15,500
		One spouse 65 or older	\$15,600
		Both Spouses 65 or older	\$16,200
	Married filing separately on same or different returns	Any age	\$3,999
Widowed and not remarried	Qualifying Widow(er) with dependent child	Under 65	\$15,500
		65 or older	\$16,000

Non-residents and part-year residents who have received income from any Arkansas source must file an Arkansas income tax return regardless of their individual income level. A non-resident is defined as someone who does not maintain a home or other residence in Arkansas. A part-year resident is defined as someone who has established a home or other dwelling place in Arkansas at some time during the previous calendar year or as someone who moved out of the state during the previous calendar year. A residence is defined as a lodging place used a permanent dwelling place or a dwelling place to return to at some point during the calendar year.

In order to arrive at your net taxable income, you add your personal income from all earning sources and subtract either your standard or itemized deductions. For your total tax liability, find your net taxable income on the appropriate tax-rate chart in the Arkansas Income Tax Booklet ARI000 (long form) or ARI000S (short form) and subtract the allowable deduction, any estimated payments you made, any withholding amounts deducted from your paycheck, and any tax credits which you may be entitled to deduct.

What Items Are Exempt?

Exempt items include all dollar amounts subtracted from your gross income to arrive at your total taxable income. The types of income deemed exempt from taxation in Arkansas include:

- Active-duty military personnel: Enlisted persons are entitled to a \$9,000 exemption. Officers get a \$6,000 exemption;
- Retired military personnel: a \$6,000 exemption;
- All military disability income;
- First \$6,000 received under a qualified employer-sponsored public or private retirement or disability plan or IRA distribution. The \$6,000 is in addition to whatever cost of contribution the retiree is eligible to re-

- cover for the tax year;
- Social Security benefits and all related supplemental benefits;
- Money received from a life insurance policy due to a death; and
- Interest received from the U.S., its possessions, the District of Columbia, Arkansas, or any political subdivision.

What Are Allowable Adjustments?

Some allowable adjustments include:

- Payments to an IRA and Medical Savings Account (MSA);
- Deduction for interest paid on student loans;
- Payments to a KEOGH plan and self-employed Simplified Employee Pension (SEP) and Simple Plans;
- Forfeited interest penalty for premature withdrawal of funds;
- Alimony and separate maintenance paid;
- Border-city exemptions (Texarkana);
- \$500 for the caring of your permanently disabled child in your home; and
- Self-employed health insurance; and
- Moving expenses.

What Are Allowable Deductions?

Arkansas customarily adheres to the IRS Code for the deduction types allowed on state income tax returns. Allowable deductions include:

- Medical and dental expenses (if more than 7 ½ percent of your adjusted gross income);
- Personal property and real estates taxes;
- Home mortgage and investment interest;
- Charitable contributions, including cash, artwork and literary writings;
- Casualty and theft losses;
- Post-secondary education tuition deductions;
- Miscellaneous deductions such as union or professional dues; and
- Tax return preparation fees if more than 2 percent of your total adjusted gross income.



If a spouse files separately on either the same income tax return or a separate income tax return, the deductions must be pro-rated so that they are based on each spouse's adjusted income. Further, married taxpayers must both elect to use the standard deduction or both spouses must claim itemized deductions even if the spouses file separate returns or separately on the same return.

What is a Tax Credit and Who is Eligible for One?

A tax credit is a specific dollar amount allowed as an offset against a total tax liability. Arkansas allows credits for taxes paid to another state by its residents. This credit is available only when Arkansas and the other state both seek to tax the same income and is only allowable for income taxes. Arkansas also allows a childcare credit equal to 20 percent of the federal credit. A \$500 credit is allowed for residents who care for their developmentally disabled child in their own home. A credit of 20 percent of the federal credit for adoption expenses is also allowed.

Personal tax credits are \$21 for each taxpayer and \$21 for each dependent. Additional credits of \$21 are authorized for persons who are certifiably deaf, blind, more than 65 years old, more than 65 years old and not claiming a retirement income exemption, the head of a household, or a qualifying widow or widower.

What is Withholding Tax and Who Pays It?

Individual income taxes are automatically withheld from an employee's wages and remitted regularly to the Withholding Section of the Revenue Department by the employer of the taxpayer. It is the responsibility of the employee to make certain their employer withholds taxes from all earned income (see Estimated Tax Section).

Taxpayers who suspect their employer is not correctly withholding tax from their paychecks should contact the Withholding Section of the Revenue Department at (501) 682-7290 or by fax at (501) 683-1036.

What is Estimated Tax and Who Should Pay It?

Estimated individual income tax is the method used to pay tax on any income that is not subject to withholding tax (see previous section). This may include income from self-employment, retirement, pensions and annuities, interest, dividends, alimony, rent, capital gains, cash prizes, and wages paid from out-of-state employers.

A taxpayer must file a declaration of estimated tax for the income year if the taxpayer reasonably expects the estimated tax to be more than \$1,000. The declaration of estimated tax must be at least 90 percent of the actual amount due or equal to 100 percent of the tax due from the previous year to avoid under-estimated tax penalties.

Who is Considered a Part-Year or a Non-Resident?

If a person has a permanent residence or a dwelling place in Arkansas and intends to return to it after leaving or if a person spends more than six months of the taxable year in Arkansas, they are considered an Arkansas resident for state tax purposes. All non-residents must file a state tax return if they receive any income from an Arkansas source. Part-year residents must file a return if they receive any income from any source while in Arkansas. This income is considered earned in Arkansas. To arrive at the percentage of the total tax owed to the State of Arkansas, you must divide the income earned in Arkansas by your total income. The Arkansas tax liability is based on the pro-rata share of the total income.

Arkansas Individual Income Tax Rates		
For A Net Taxable Income of		Your Tax Will Be
\$ 0 TO \$ 3,499	=	1.0%
\$3,500 TO \$ 6,999	=	2.5% minus \$52.49
\$7,000 TO \$10,499	=	3.5% minus \$122.48
\$10,500 TO \$17,499	=	4.5% minus \$227.47
\$17,500 TO \$29,199	=	6.0% minus \$489.96
\$29,200 or more	=	7.0% minus \$781.95

Three Percent Surcharge Applies to All Arkansas Residents

Act 38 of 2003, and amended by Act 63 of 2005, levies a 3 percent surcharge to the tax liability of each person required to file an Arkansas income tax return for tax years 2003 and 2004. The 3 percent surcharge also applies to all residents of Texarkana who are exempting income under the Border City Exemption. The surcharge will be computed on the taxpayer's liability calculated without taking the exemption. Act 63 of 2005 repealed the surcharge for years 2005 and after.

What is the Capital Gains Tax Rate and Who Pays It?

Arkansas has adopted federal law concerning capital gains. Thirty percent of capital gains are excluded from income with the remaining 70 percent being treated as regular income. Please be aware that the tax rate is applicable to each income bracket and is cumulative.

What is Estate Tax and Who Must Pay It?

Estates of deceased persons are taxed based upon the Federal Estate Tax Law. The Arkansas tax equals the credit allowed for State Death Taxes on the Federal Estate Tax return. Since the Arkansas tax is completely offset, there is no additional tax due. Act 645 of 2003 clarified the adoption of federal estate tax provisions. Pursuant to this Act, the Arkansas Estate Tax will be repealed in conjunction with the repeal of the Federal Credit for State Death Taxes on January 1, 2005. For more information on any state income tax issue, contact:

Department of Finance and Administration
Income Tax Section
P.O. Box 3628
Little Rock, AR 72203-3628
(501) 682-1100

http://www.arkansas.gov/dfa/income_tax/tax_agency.html

Excise Taxes

What is Sales & Use Tax and Who Must Pay It?

A state sales tax of 6 percent is imposed on any sale of tangible personal property plus various services performed within Arkansas. The state compensating use tax is imposed on goods purchased outside of Arkansas and brought into the state for utilization, storage, consumption, or distribution. Additional local sales and use taxes are applicable in most areas of Arkansas. A supplemental mixed drink tax of 10 percent is imposed on the sale of alcoholic beverages (excluding beer) at restaurants. Four percent tax is due on the sale of all mixed drinks (except beer and wine) sold for "on-premises" consumption. There is a 3 percent "off premises" tax on retail sales of beer. This tax will expire June 30, 2005, unless re-enacted in the 2005 session of the General Assembly.



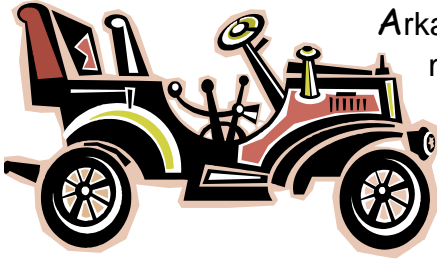
Cigarette Tax

Act 38 of the First Extraordinary Session of 2003 imposes an additional cigarette tax of \$12.50/1,000 cigarettes beginning on June 1, 2003. This is equivalent to 25¢ per pack and results in a total tax of 59¢ per pack. The 3.8 percent stamp duty commission does not apply to that portion of the cigarette tax levied by Act 38; however, the border zone reduction does apply.

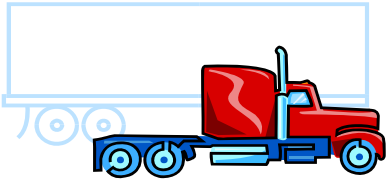
The Act provides that wholesalers or retailers in a border zone are not permitted to sell cigarettes taxed at border zone rates to other retailers. In addition, retailers outside of a border zone are not permitted to possess cigarettes taxed at border zone rates.

The Act also imposes an additional tobacco products excise tax of 7 percent on items such as loose tobacco, cigars, chewing tobacco, smokeless tobacco, and snuff. This results in a total tax of 32 percent on tobacco products other than cigarettes.

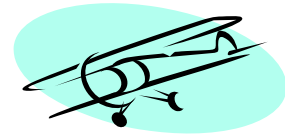
New and Used Motor Vehicle Transactions



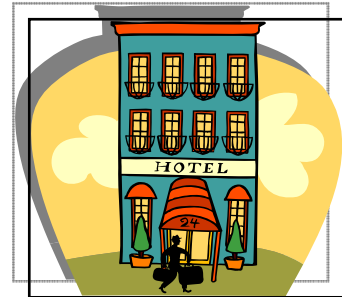
Arkansas also imposes a sales tax on new and used motor vehicle purchases. This tax is due at the time of registration of the vehicle and not at the point of sale. Application for registration must be made within 30 calendar days from the date of the purchase. Tax is paid on the total amount of the sale, less the trade-in or private sale deduction. Extended warranty costs are also taxable. No sales tax is due on a used vehicle if the vehicle's total sale is less than \$2,500. A list of local revenue offices where you may register a vehicle and pay any tax due can be found at: www.arkansas.gov/dfa/revenueoffices



A sales tax is also due for purchasing trailers, semi-trailers, airplanes, and mobile homes.



The sales tax also applies to the service of furnishing rooms by hotels, apartment hotels, lodging houses and tourist camps or courts to transient guests who rent on less than a month-to-month basis. An additional 2 percent tourism tax applies to these lodging services as well as to the admission price to tourist attractions, watercraft rental, boat motors and related marine equipment, life jackets and cushions, water skis, and oars or paddles.



How to Calculate Tax on Rental Vehicle

6.00%	State Sales (Gross Receipts) Tax
10.00%	State Rental Vehicle Tax (includes new 5%)
1.00%	Pulaski County Sales (Gross Receipts) Tax
1.00%	Pulaski County Rental Vehicle Tax
0.50%	Little Rock Sales (Gross Receipts) Tax
0.50%	Little Rock Rental Vehicle Tax
19.00%	Total tax on Rental Vehicle

Act 949 of 2001 increased the Rental Vehicle Tax by 5 percent. The total rental vehicle tax will be the combined gross receipt taxes levied at the municipal, local, and state rates, the rental vehicle tax, plus the new 5 percent tax.

Prescription Medicines



Sales of prescription medicines are exempt from sales tax as are the proceeds derived from the sale or the rental of medical equipment by a supplier to a person enrolled in or eligible for either Medicare or any other medical aid program as outlined by federal law. Sale of insulin and test strips for the testing of human blood glucose levels is exempt from sales tax. A sales tax exemption is provided

for the rental, sale, or repair of adaptive and disposable medical equipment. Certain items are exempt if they are prescribed by a physician prior to their being purchased. This exemption is not available, however, to purchases made by physicians, hospitals, nursing homes, or long-term care facilities for use by their patients or residents.

Sales Tax Exemption for Electricity Usage if Annual Income is Below \$12,000

Low-income taxpayers, with a total annual household income of less than \$12,000, are permitted a sales tax exemption for electricity usage. An application for this exemption must be filed with your designated electric company before the exemption can be actuated by the state.

What is Local Sales & Use Tax and Who Must Pay It?

Each Arkansas county and municipality has the authority to impose a local sales and use tax. These local sales and use taxes may be levied in varying increments. While these taxes are not imposed by the state, they are collected by the state and distributed to the cities and counties. Taxpayers should check with their respective county or city government for any applicable sales tax rates or check online at the link below. For more information, contact:

Arkansas Department of Finance and Administration

Sales and Use Section

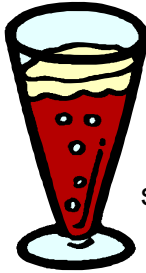
P. O. Box 1272

Little Rock, AR 72203-1272

(501) 682-7104 or 682-7140

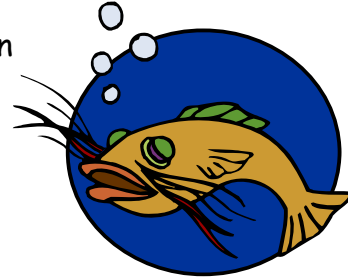
http://www.arkansas.gov/dfa/excise_tax_v2/st_index.html

What is Miscellaneous Tax and Who Must Pay It?



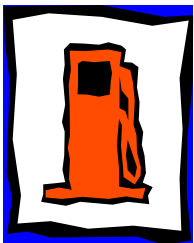
The State's Miscellaneous Tax Section handles various areas of taxation including: timber processing; severance tax on natural resources; cigarettes; tobacco products; cigarette paper; imported wine; domestic wine; liquor and beer; amusements; real property transfers; soft drinks; brucellosis assessment; beef, wheat, rice, and soybean promotion; swine pseudo rabies eradication; merchandise vending; beauty pageant registration fees; bromide and museum fund; waste tires; corn and grain sorghum; catfish feed assessment; and construction permit surcharges. For more information about any of these Miscellaneous taxes in Arkansas contact:

Arkansas Department of Finance & Administration
Miscellaneous Tax Section
P. O. Box 896
Little Rock, AR 72203
(501) 682-7187
(501) 682-1103 (fax)



http://www.arkansas.gov/dfa/excise_tax_v2/mt_index.html

What is Motor Fuel Tax and Who Must Pay It?



Every gallon of motor fuel purchased or used in Arkansas or purchased for sale in Arkansas is taxed. The tax is included in the price of each gallon of fuel at the pump. Diesel fuel is taxed at 22.5¢ per gallon. Gasoline is taxed at 21.5¢ per gallon. All revenue generated from these taxes is used to maintain Arkansas roads and highways. For information about motor fuel taxes, please contact:

Arkansas Department of Finance and Administration
Motor Fuel Tax Section
P. O. Box 1752
Little Rock, AR 72203-1752
(501) 682-4800

www.arkansas.gov/dfa/excise_tax_v2/mf_index.html

Property Tax

What Is Real Property Tax? What is Personal Property Tax?

All political subdivisions in Arkansas (including counties, cities, and school districts) are authorized by state law to impose taxes on real property (i.e., a house or land) and personal property (i.e., automobiles, pick-up trucks, recreational vehicles, boats and motors, motorcycles, and all-terrain vehicles). These taxes are known as "*ad valorem*" taxes. They are imposed according to item value only. Personal property taxes are not imposed on furniture and household possessions.

Local county tax assessors and collectors calculate and collect all real and personal property taxes. Revenue derived from personal property taxes supports your local government agencies.

Personal property must be assessed with the local county assessor's office each year before May 31. Any personal property taxes assessed after the deadline will include a monetary penalty determined by the respective county. These taxes are due on or before October 10 of the following year. Payment of these taxes can be made in person at the county collector's office, over the internet in some counties, or mailed to the county collector.

The assessment is 20 percent applied to the "true market value" of real property and to the usual selling price of personal property. The tax due is calculated as the assessed value times the local mileage rate. Agricultural and forest lands, however, are assessed at "use" value rather than "true market value" of real property. Business property is assessed like individual property. Merchants' stocks and manufacturers' inventories are assessed at "annual average value."

There is a \$300 tax credit on the real property of a taxpayer's principal place of residence. To qualify for this credit, a taxpayer must be either an owner, a purchaser under a recorded contract to purchase, a holder of a recorded life estate, or a person that has formed a revocable trust that owns the property. Residing in a nursing home does not disqualify a person from the benefits of this provision.



Additionally, the taxable assessed value of homesteads will not increase more than five percent above the previous taxable assessed value except when new additions or substantial improvements are made to the property. However, the

taxable value of the homestead will continue to increase each year until it equals 20% of market value. The taxable assessed value of homesteads of residents aged 65 and older, or of those who are disabled, are capped at the previous year value unless the property owner builds additions or substantial improvements to it or disposes of it. Taxable value increases for all other real property are limited to 10 percent per year, with the same exceptions for new construction and substantial improvements as do homesteads.

New Arkansas residents should contact their respective county tax assessor for actual rates. Some of the counties and their telephone numbers are listed below:

COUNTY	CITY	PHONE NUMBER
Pulaski County	Little Rock/North Little Rock	(501) 340-6170
Saline County	Benton/Bryant	(501) 303-5622
Faulkner County	Conway	(501) 450-4905
Garland County	Hot Springs	(501) 622-3730
Jefferson County	Pine Bluff	(870) 541-5334
Miller County	Texarkana	(870) 774-1502
Pope County	Russellville	(479) 968-7418
Sebastian County	Fort Smith	(479) 783-8948
Washington County	Fayetteville/Springdale	(479) 444-1500
Benton County	Bentonville/Rogers	(479) 271-1037

A comprehensive list of tax assessors, collectors, and other county officials is available from:

Assessment Coordination Department
 1614 West Third Street
 Little Rock, AR 72201
 (501) 324-9240
<http://www.arkansas.gov/acd/>

What Are Special Property Tax Exemptions?



A disabled veteran, who has been awarded special monthly financial compensation by the Veteran's Administration (VA), is exempt from all state taxes on real and personal property if there is the loss, and/or loss of or use of, one or more limbs; total blindness in one or both eyes; 100 percent service connected disability, or permanently and totally disabled with unemployability. Widows, so long as they do not remarry, and dependent children during their minority, of members who were killed in action, who died in service in line of duty, who died of service-connected disabilities, or whose husbands are missing in action are also eligible for this entitlement.

The Arkansas Department of Veterans' Affairs assists veterans, their dependents, and survivors in their claims with the U.S. Department of Veterans' Affairs for benefits they are entitled to under Title 38, United States Code. The Arkansas Department of Veterans' Affairs Office is located at:

2200 Fort Roots Drive
Building 65, Room 119
North Little Rock, AR 72114
Telephone: (501) 370-3820
Facsimile: (501) 370-3829

<http://www.nasdva.com/arkansas.html>

The U.S. Department of Veterans' Affairs Office can be reached at (800) 827-1000, and the website is: <http://www.va.gov>

Driver Licenses

Arkansas law requires anyone applying for an initial Arkansas driver license to show proof of legal "presence" in the United States. Acceptable documents include a Social Security card, a valid U.S. Immigration and Naturalization photo card, a U.S. birth certificate, a U.S. Visa, a U.S. military photo identification card, a U.S. passport, or a certificate of naturalization from the U.S. At least one of these documents must be presented to a department representative at any local Revenue Office before any initial driver license or identification card can be issued.

A resident must possess a valid Arkansas driver license to operate a motor vehicle. A new resident must obtain an Arkansas driver license at a local Revenue Office within 30 days after becoming domiciled in the state. No driver license examination is required if the applicant surrenders a valid license from another state or surrenders one that is not expired more than 31 days. Arkansas issues a driver license for a four-year period and the cost is \$20. An eyesight examination is required. A commercial driver license (CDL) costs \$50. If a licensed driver loses a license or makes a change (i.e., relocation, change in name, etc.), there is a \$10 charge.



A driver who is less than 18 years old must have at least six months of restricted driving experience before obtaining an unrestricted license. New drivers may receive an instruction permit that is valid for a period of six months. A six-month permit extension is also permitted.

Arkansas law also requires persons less than 18 years old provide proof of school enrollment, high school graduation or the completion of a General Equivalency Degree (GED) prior to taking any driver license examination. Persons still enrolled in school must show proof of at least a "C" grade-point average (2.0 on a 4.0 scale). The appropriate form is available at any high school in Arkansas.

Arkansas adopted a graduated licensing scheme for young drivers in July 2002. This created two new driver license formats:

1. A learner's license is issued for those between 14 and 16 years of age; and
2. An intermediate's license is issued for those between 16 and 18 years of age.

A regular license is issued for those over 18 years of age. All passengers riding

in a car driven by a person holding a learner or intermediate license must wear seatbelts. To obtain a learner's or intermediate's license or move up in class, the applicant must not have incurred any accidents or serious traffic convictions in the most recent six months for holders of a learner's license or most recent 12 months for holders of an intermediate license.

In August 1999, Arkansas redesigned the appearance of its driver license, commercial driver license, and identification card to help reduce fraud and illegal duplication. Licenses now include key information about drivers under 21 years old, including their photos framed in red. The date beneath the photo (in red) is the date the bearer of the license turns 18 or 21. The date of birth is highlighted in red, and a magnetic strip and bar code for personal data is on the back of each card to assist law enforcement officers and businesses. A fingerprint can be voluntarily captured digitally to protect personal records. The new cards also have a digital photograph, a holographic state seal, and an additional ghost image of the licensee on the bottom right-hand side of the front to deter duplication.

For information about the written test, contact the Arkansas State Police Troop nearest you. Exams cost \$5 each with a \$15 maximum. Free study books can be obtained at Revenue Offices statewide or at any State Police District Office. A list of revenue offices can be found at:

www.arkansas.gov/dfa/osra/osra_index.html

A driver license for a motor-driven cycle of more than 50 cubic centimeters (cc) up to and including 250 cc may be obtained at 14 years old (expiring at 16) for \$4. A four-year motorcycle license is required at age 16. A motorcycle endorsement on a driver license is available for \$10.

A photo identification card is issued for four years for \$5. An identification card will not be issued, however, to anyone who has a valid Arkansas driver license. The photo identification card is valid for life to anyone 60 years old or older.

Any person operating a commercial motor vehicle must have a Commercial Driver's License ("CDL"). A CDL is required for operating any motor vehicle with a gross weight of 26,001 pounds or more, or for any motor vehicle transporting 16 or more passengers or hazardous materials. There is a \$35 CDL test application fee and also a \$50 license fee. For more information about a driver license, CDL, or ID card, contact:

Department of Finance and Administration
Office of Driver Services
P. O. Box 1272
Little Rock, AR 72203
(501) 682-7055

http://www.arkansas.gov/dfa/dfa_vehicles.html

Motor Vehicles

All new residents must register their motor vehicles within 30 days of establishing residence in Arkansas. Proof of personal property assessment (through your local county of residence), proof that no personal property taxes are due, and proof of the proper kind and amount of liability insurance must be presented at the time of registration to obtain a vehicle tag. Vehicle Identification Number (VIN) verification is also required of new residents unless they are surrendering an out-of-state title already in their name **AND** have already obtained an Arkansas driver's license. The Arkansas State Police conducts VIN verifications, and a number of local law enforcement agencies also participate in the program.



Vehicle registration renewal reminders are sent no less than 30 days prior to expiration. Before renewing vehicle tags, Arkansas law requires you to assess your vehicle with your county assessor and pay all personal property taxes you owe through your county collector's offices. You are also required to maintain liability insurance on your vehicle. Proof of assessment, payment of personal property taxes, and proof of liability insurance are automatically checked by computer. Renewals may be done by telephone, internet, mail, in person, or at more than 50 participating Wal-Mart stores around the state. Participating stores are listed on an insert included with your renewal notice. Please observe the instructions contained on the renewal notice for proper compliance with state law. To renew your license and/or change your address, please go to the website: <http://www.arstar.com/>

Liability insurance or self-insurance must not be less than \$25,000 for bodily injury or death of one person in any one accident; not less than \$50,000 for bodily injury or death of two or more persons in any one accident; and coverage of \$25,000 for property damage. Insurance records are updated monthly by insurance providers operating in Arkansas.

- Automobile registration fees are based on the vehicle's unladen weight: 3,000 pounds or less - \$17;
- 3,001 pounds to 4,500 pounds – \$25;
- 4,501 pounds and more - \$30; and
- One-half ton, three-quarter-ton, and one-ton pickup trucks used for personal transportation and not for commercial use of any type - \$21 regardless of weight.

Non-residents are permitted to operate a vehicle in the state for up to six months without registering it in Arkansas. A list of revenue offices can be found at www.arkansas.gov/dfa/osra/osra_index.html.

For more information, contact:

Department of Finance and Administration
Office of Motor Vehicle
(501) 682-4692
P. O. Box 1272
Little Rock, AR 72203

http://www.arkansas.gov/dfa/motor_vehicle/mv_index.html

Taxpayer Bill of Rights

Under the Arkansas Taxpayer Bill of Rights, the Department advises taxpayers of their rights during the tax audit and collections processes. Taxpayers are provided the opportunity to have an informal hearing close to their area of residence once they are assessed for taxes. For additional information, please call (501) 682-7751 or go to the following link to view online:



http://www.arkansas.gov/dfa/income_tax/tax_bor.html

Office of Child Support

The Child Support Enforcement Program is a federal/state effort to collect child support from non-custodial parents. The Department of Finance and Administration Revenue Services Division under the name of Arkansas Office of Child Support Enforcement (OCSE) administers this for Arkansas. The primary objective of OCSE is to ensure that child support payments are made regularly and in the correct amount. The OCSE is responsible for the delivery of child support services under Title IV-D of the Social Security Act. A staff of investigators, accountants, attorneys, and other personnel assists the custodial parent, legal guardian, or caretaker in the following areas: locating the non-custodial parent; establishing paternity; establishing, modifying and terminating support/medical obligations; collecting and disbursing support obligations; and enforcing delinquent child support obligations.



Any parent or person with custody of a child who needs help to establish a child support or medical support obligation or to collect support payments from the non-custodial parent can apply for child support enforcement services.

If you are the child's parent, legal guardian or caretaker, and the child for whom you are seeking support is under 18 years of age or is attending high school, you may apply for OCSE services. There is a \$25 non-refundable fee per case charged to process your application and a separate application, plus \$25, is required for each non-custodial parent.

To begin the application process, contact the OCSE Office nearest you or request an application by calling or writing:

Arkansas Department of Finance and Administration
Office of Child Support Enforcement
P. O. Box 8133
Little Rock, AR 72203
(501) 682-8398

http://www.arkansas.gov/dfa/dfa_child_support.html