

WELCOME TO LITTLE ROCK!

If you are considering a move to Little Rock or have been a resident for a short time, you may have questions about Little Rock's tax rates. We've compiled a list of state and local tax rates.

For more information, please contact the Treasury Management Division at (501) 371-4567.

STATE, COUNTY, and MUNICIPAL TAXES

Income Tax

- The State of Arkansas has an income tax that is comparable to that of the federal income tax system and are due at the same time the Federal returns are due, April 15th. For any information on State of Arkansas income taxes, please contact the Arkansas Department of Finance and Administration Income Tax Section, P.O. Box 3628, Little Rock, AR72203-3628, (501) 682-1100.
- Pulaski County does not have an income tax, but they do have personal property taxes and business personal property taxes along with real estate taxes.
- The City of Little Rock does not have an income tax for individuals or businesses.

Sales & Use Tax

- The sales & use tax rate for the State of Arkansas is 6.5% imposed on sales of tangible personal property and various types of services. Food and food ingredients are taxed at a reduced rate of 1.50%. The Department of Finance and Administration strongly enforces the use tax on purchases made out-of-state when no sales tax has been paid to another state. If you purchase goods from the Internet, catalogs, television shopping networks or other out-of-state businesses and did not pay sales tax, you must report and pay a 6.5% state rate and any local taxes. Payment is remitted directly to the State of Arkansas, Department of Finance and Administration. Visit their website at <http://www.dfa.arkansas.gov>.
- Pulaski County levies a 1.0% per cent sales tax on goods and services purchased in the county. This tax is remitted directly to the State of Arkansas, Department of Finance and Administration. The distribution is based on the Little Rock population as a percent of Pulaski County's total population. The City of Little Rock receives a pro rata share of approximately 51% of this tax.
- The City of Little Rock has 1.5% sales tax on goods and services purchased in the City. This local tax is remitted directly to the State of Arkansas, Department of Finance and Administration by vendors collecting the tax.

Local Tax Cap

- Local taxes are capped at \$25.00 per each 1% of tax assessed per “single transaction” In other words, local tax rates can only apply to the first \$2,500 of any single transaction. The local tax cap applies only to sales of motor vehicles licensed for highway use, aircraft, watercraft and manufactured housing. Sellers will collect state, city and county taxes at their full rate on the invoice total for all other types of merchandise and sales of services.
- ATV’s and other off-road vehicles and off-road motorcycles are not motor vehicles for highway use and are not eligible for the tax cap.

Property Taxes

- Counties, cities and school districts are authorized to impose ad valorem taxes on real and personal property. The Pulaski County Treasurer’s Office collects most property taxes. Property tax dollars support public schools and the services provided by local governments.

Residential Property

- Taxes are calculated by multiplying the “taxable value” (20% of the appraised value established by the Assessor) times the millage rate, which is 1/10th of a cent. The millage rate in Little Rock, Arkansas is 70.10 mills with an effective tax rate of 1.40%

Based on a \$200,000 owner-occupied residence assessed at 0.7010 millage rate, the property taxes would be \$2,804.

If you have established a one-year residency and you are 65 years or older, legally blind or permanently and totally disabled, you are eligible for a homestead exemption of \$350.

Vehicle Property Taxes

- Personal property taxes are collected annually on cars, motorcycles, recreational vehicles, boats and airplanes based on values listed in the Department of Finance and Administration publications. The value of your asset is multiplied by the assessment ratio to determine the assessed value. The applicable millage rate is multiplied by the assessed value of your vehicle to determine the amount of personal property tax that you owe.
- If you have any questions about real estate or personal property taxes, please contact the Pulaski County Assessor’s Office at (501) 340-6190.

Mixed Drink Supplemental Tax

- The City of Little Rock has a 10% mixed drink supplemental tax on hotels, motels, restaurants, and bars. This tax is remitted directly to the City of Rock and is due on the 20th of the next month. If the 20th falls on a Sunday or Holiday, your return must be postmarked the next business day to avoid a 25% late payment penalty.
- The City of Little Rock has a 5% percent mixed drink supplemental tax on private clubs. This tax is also remitted directly to the City of Little Rock and is due on the 20th of the next month. If the 20th falls on a Sunday or Holiday, your return must be post-marked the next business day to avoid a 25% late payment penalty.

- The Department of Finance and Administration collects taxes on alcoholic beverages. The Alcoholic Beverage Control Department is a part of the Arkansas Department of Finance and Administration. On the sale of mixed drinks, each business is required to have a state permit and also a city permit. Both the state and the city have supplemental taxes on the sale of mixed drinks. These taxes are remitted to the state and city respectively by the 20th of the following month. If the 20th falls on a Sunday or Holiday, your return must be postmarked the next business day to avoid a late payment penalty. Please remit any City of Little Rock supplemental taxes to the following address: *Treasury Management Division, City of Little Rock, 500 W. Markham St, Ste 100, Little Rock, AR 72201*. If you need reporting forms, please contact our office at (501) 371-4570.

Cigarette Tax

- A cigarette tax is imposed at the rate of \$1.15 per pack. A tax is also imposed at the rate of 68% on tobacco products other than cigarettes.

Advertising and Promotion Tax (Tourism Tax)

- The Little Rock Convention & Visitors Bureau located at Markham and Broadway, Little Rock, AR 72201 is governed by the Advertising and Promotions Commission. You may call them at (501) 376-4781 or go to their website at LRCVB@littlerock.com.
- The Advertising and Promotion Commission has a 2% Tourism Tax (this tax is commonly known as the Hamburger tax) that is added to all food purchases made at a restaurant, cafeteria, or fast food facility. This tax is remitted directly to the Advertising & Promotions Commission. This tax does not apply to mixed drink sales. For more information on the “hamburger tax” contact the Advertising and Promotions Commission at 501 370-3205.
- The Advertising and Promotions Commission also has a 2% Room tax for hotels, motels, etc. For more information on the taxes handled by the A & P Commission, please call (501) 376-4781.

Motor Fuel Tax

- 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.

Business License Requirement

- Businesses located within the City of Little Rock are required to have a City of Little Rock Business or Privilege License. (See the link to “Starting Your Own Business in Little Rock and Obtaining Permits and Licenses”).
- Fees for Business Licenses are outlined in Chapter 17 of the Little Rock City Code of Ordinances, section 52.

State and Local Sales Taxes

	Groceries (Food items)	Groceries (Non-food items)	Retail	Taxable Services	Beer/Wine Restaurant	Restaurant (Food Only)	Mixed Drink Private Club	Mixed Drink Restaurant
State Sales Tax	1.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
County Sales Tax	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
City Sales Tax	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Hospitality Tax					0.00%	2.00%	0.00%	0.00%
Beer Excise Tax					1.00%		0.00%	0.00%
Mixed Drink Tax - State					0.00%		14.00%	14.00%
Mixed Drink Tax - City					0.00%		5.00%	10.00%
Total Sales Tax	4.00%	9.00%	9.00%	9.00%	10.00%	11.00%	28.00%	33.00%

Cigaretts are taxed at \$1.5 per pack. All other tobacco products are taxed at a rate of 68%.

Gasoline is taxed at 21.5 cents per gallon. Diesel is taxed at 22.5 cents per gallon.