



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF THE DIRECTOR

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May 23, 2019

[REDACTED]

RE: In the Matter of [REDACTED]
Request for Revision
Docket No: 19-088

[REDACTED]:

This letter is prepared in response to your request for a revision of the administrative decision entered in the above referenced matter on October 17, 2018. Your request for revision, dated October 31, 2018, is considered timely. This letter will constitute the final decision of the Arkansas Department of Finance and Administration ("Department") under Ark. Code Ann. § 26-18-405 (Repl. 2012 and Supp. 2017) regarding the above referenced matter. Your revision request provided no additional information or argument in support of your claim that the decision of the administrative hearing officer was incorrect.

FACTS

The administrative hearing dealt with the issue of whether you owed sales tax on the purchase of a motor vehicle. The hearing officer held that you took ownership and possession of a motor vehicle and that you did not provide any proof that the seller rescinded your purchase. Consequently, the assessment of tax on your purchase was sustained. The following facts are adopted for purposes of this response:

- On November 22, 2016, you purchased a [REDACTED] with VIN [REDACTED] (the "Vehicle") from [REDACTED].
- You purchased the Vehicle for \$15,995.00 and financed \$13,495.00 of the purchase price through the seller, [REDACTED]. You made a down payment of \$1,500.00.
- On September 29, 2017, the Department determined that you never registered the Vehicle. The Department issue a Notice of Proposed Assessment to you in the amount of \$1,312.28. The assessment consisted of tax in the amount of \$1,114.68, penalty in the amount of \$111.47, and interest in the amount of \$86.13. The assessment was based on the purchase price of \$15,995.00.

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The hearing officer correctly set forth Arkansas law and the burden of proof in this matter. He applied the facts to the law in rendering his decision. The hearing officer sustained the assessment of sales tax on your purchase of a motor vehicle because you did not demonstrate that a rescinded sale took place.

ANALYSIS

Arkansas sales tax generally applies to the entire gross receipts of all sales of tangible personal property and certain specifically enumerated services within the State of Arkansas. Ark. Code Ann. § 26-52-301 (Supp. 2017). For purchases of motor vehicles, the consumer is required to directly pay the accompanying sales tax liability to the Department on or before the time of registration. Ark. Code Ann. § 26-52-510(a)(1) (Repl. 2014).

In this case, documents included in the record and maintained by the Office of Motor Vehicle support the fact that you purchased the Vehicle for \$15,995.00 on November 22, 2016. Consequently, the Department met its burden of showing that a taxable sale of tangible personal property occurred. The governing statutes demonstrate that ownership and taking of possession of the car triggered the liability for you to pay sales tax on the purchase of the Vehicle. An exemption does not exist for vehicle purchases where an owner is unable to use the vehicle. At the hearing in this matter, you did not provide any evidence that a rescinded sale of the Vehicle occurred. Accordingly, the decision of the hearing officer sustaining the assessment of tax, penalty, and interest is sustained.

CONCLUSION

For the reasons set forth above, the decision of the hearing officer is affirmed and the assessment will be upheld. This concludes your administrative remedies under the Tax Procedure Act. Relief from this decision may be sought according to the procedure set forth in Ark. Code Ann. § 26-18-406 (Repl. 2014 and Supp. 2017).

Sincerely,

Walter Anger
Deputy Director and
Commissioner of Revenue