

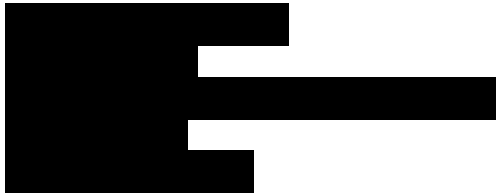


STATE OF ARKANSAS  
**Department of Finance  
and Administration**

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February 8, 2016



RE: Federal Credit Union - Exemption from Sales Tax  
Opinion No. 20160202

Dear [REDACTED]:

Your letter dated February 2, 2016, requesting an opinion on the tax-exempt status of a federal credit union has been referred to me for response. Previously, Opinion 20020324 was issued to the prior President of [REDACTED] on the same subject.

The federal exemption provided for federal credit unions is found at 12 U.S.C. § 1768 and the relevant portion provides as follows:

The Federal credit unions organized hereunder, their property, their franchises, capital, reserves, surpluses, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority ...

Federal law prohibits Arkansas from taxing purchases made by federally chartered credit unions. Your letter indicates that [REDACTED] is a federally chartered credit union. Therefore, any purchases made by [REDACTED] in Arkansas are exempt from tax. See Gross Receipts Rule GR-70(B).

This opinion is based on my understanding of the facts as set out in your inquiry as those facts are governed by current Arkansas laws, rules, and regulations. Any change in the facts or law could result in a different opinion.

The Arkansas Gross Receipts Tax Rules cited in this opinion may be viewed on DFA's website at: [http://www.dfa.arkansas.gov/offices/policyAndLegal/Documents/et2008\\_3.pdf](http://www.dfa.arkansas.gov/offices/policyAndLegal/Documents/et2008_3.pdf).

This opinion is based on my understanding of the facts as set out in your inquiry as those facts are governed by current Arkansas laws, rules, and regulations. Any change in the facts or law could result in a different opinion. Please be advised that this opinion may only be relied

upon by the company and will only be binding upon the Department for three (3) years from the date of issuance. *See* Arkansas Gross Receipts Tax Rule GR-75.

Sincerely,

Olan W. Reeves, Attorney  
Revenue Legal Counsel