

ARKANSAS STATE TAX

Tax Type = ST	<u>Rate</u>	<u>Effective Date</u>	<u>Tax Class</u>
	6.00%	03/01/04	00
	2.75%	07/01/11	05

Tax Classes:	00	ACCOUNT NOT EXEMPT - SUBJECT TO APPLICABLE TAX
	05	CERTAIN MANUFACTURING ACCOUNTS AS PER HOUSE BILL 1420
	08	ALL EXEMPT ACCOUNTS

TAX RULES for STATE SALES TAX

- 1) Non-profit only Nursing Homes are exempt from State Tax and will be exempted manually with tax class 08 and 100% exemption. **A tax exemption certificate is required.**
- 2) ~~All accounts in Community Code Texarkana are exempt from Arkansas State Tax with tax class 08 and 100% exemption. Expired 12/31/07.~~
- 3) Federal Government accounts are automatically exempt. (Accounts with SIC Codes 910000 thru 919900 or 431000). Their tax class will be set to 08 with 100% exemption.
- 4) Certain Manufacturing customers are partially exempt from State Tax and get a reduced rate of 3.25% by using tax class 05. **A tax exemption certificate is required.**
- 5) Residential customers with a household income < \$12,000 are eligible for an exemption on the first 500 kWh per month. **A low income exemption certificate is required.**
Exemption is achieved by using the special circumstance code of LWI on MFCC.

ARKANSAS ALTERNATE STATE TAX

Tax Type = AS **Applies only to Community Code 101 - Texarkana - Inside City Limits**

Effective 12/31/07 the Alternate State Tax has been eliminated and only the State Tax and the State Tax rules apply

Tax Classes:	01	RESIDENTIAL TEXARKANA - ACCOUNT SUBJECT TO TAX
	02	NON-RESIDENTIAL TEXARKANA - ACCOUNT SUBJECT TO TAX
	05	CERTAIN MANUFACTURING ACCOUNTS AS PER HOUSE BILL 1420
	08	ALL EXEMPT ACCOUNTS
	99	IN TAXING MUNICIPALITY - NOT SUBJECT TO TAX - SYSTEM USE ONLY

<u>Tax Class</u>	<u>Rate</u>	<u>Effective Date</u>	
01	0.000%	07/01/07	Texarkana Residential customers
02	0.000%	01/01/08	Texarkana Non-Residential customers
05	0.000%	01/01/08	Certain Manufacturing customers in Texarkana as per House Bill 1420

TAX RULES for ALTERNATE STATE SALES TAX

- 1) Residential accounts (Revenue Class 010 and 020) in Community Code 101-Texarkana are subject to the Arkansas Alternate State Tax with tax class 01.
- 2) Non-Residential accounts in Community Code 101-Texarkana are subject to the Arkansas Alternate State Tax with tax class 02.
- 3) Federal Government accounts are automatically exempt. (Accounts with SIC Codes 910000 thru 919900 or 431000). Their tax class will be set to 08 with 100% exemption.
- 4) Outdoor Lights and Street Lights in Community Code 101-Texarkana **are not subject to** the Arkansas Alternate State Tax and will be assigned tax class 99.
- 5) Certain Manufacturing customers are partially exempt from State Tax and get a reduced rate of 3.25% by using tax class 05. **A tax exemption certificate is required.**

ARKANSAS COUNTY TAXES

Tax Type = CO

Tax Classes:	00	ACCOUNT NOT EXEMPT - SUBJECT TO APPLICABLE TAX
	08	ALL EXEMPT ACCOUNTS
	99	IN TAXING MUNICIPALITY - NOT SUBJECT TO TAX - SYSTEM USE ONLY

Effective 1/1/08 Arkansas eliminated the Daily and Monthly Maximum Tax caps for County Taxes.

County #	Alt. County #	County	Total Rate	Effective Date	MAXIMUM TAX		County Rate	Jail Rate	Maintenance Rate	Special Rate
					Daily (D)/Monthly (M)	Amount				
01	1	Benton County	1.000%	08/01/98	N/A	N/A	1.000%	N/A	N/A	N/A
02	2	Carroll County	0.500%	10/01/00	N/A	N/A	0.500%	N/A	N/A	N/A
03	3	Hempstead County	2.750%	10/01/08	N/A	N/A	2.750%	N/A	N/A	N/A
04	4	Howard County	2.750%	05/01/07	N/A	N/A	2.250%	0.25%	0.25%	N/A
05	5	Little River County	2.250%	07/01/07	N/A	N/A	1.750%	N/A	N/A	0.50%
06	6	Logan County	1.000%	02/09/83	N/A	N/A	1.000%	N/A	N/A	N/A
07	7	Miller County	1.500%	10/01/00	N/A	N/A	1.500%	N/A	N/A	N/A
08	8	Pike County	2.000%	07/01/12	N/A	N/A	2.000%	N/A	N/A	N/A
09	9	Polk County	2.000%	07/01/07	N/A	N/A	2.000%	N/A	N/A	N/A
10	10	Scott County	2.625%	10/01/09	N/A	N/A	2.625%	N/A	N/A	N/A
11	11	Sebastian County	1.250%	03/18/02	N/A	N/A	1.250%	N/A	N/A	N/A
12	12	Sevier County	2.375%	01/01/06	N/A	N/A	2.375%	N/A	N/A	0.50%
13	13	Washington County	1.250%	12/01/04	N/A	N/A	1.250%	N/A	N/A	N/A

TAX RULES for COUNTY SALES TAX

- 1) Non-profit only Nursing Homes are exempt from County Tax and will be exempted manually with tax class 08 and 100% exemption.
- 2) ~~Residential accounts (Revenue Class 010 and 020) in Community Code 101-Texarkana, County 07-Miller, are automatically exempt from County Tax. The tax class is 08 with 100% exemption. This rule expired effective 12/31/07.~~
- 3) ~~Outdoor Light accounts and Street Light accounts (Revenue Class 400) in Community Code 101-Texarkana, County 07-Miller, are automatically exempt from County Tax. The tax class is 08 with 100% exemption. Expired effective 12/31/07.~~
- 3) ~~Outdoor Lights and Street Lights County 07-Miller are not subject to County Tax and will be assigned a tax class 99. Expired effective 12/31/07.~~
- 4) Federal Government accounts are automatically exempt. (Accounts with SIC Codes 910000 thru 919900 or 431000). Their tax class will be set to 08 with 100% exemption.
- 5) Residential customers with a household income < \$12,000 are eligible for an exemption on the first 500 kWh per month. **A low income exemption certificate is required.** Exemption is achieved by using the special circumstance code of LWI on MFCC.

ARKANSAS CITY & FRANCHISE TAXES

Tax Classes:	00	ACCOUNT NOT EXEMPT - SUBJECT TO APPLICABLE TAX
(Franchise Tax ONLY for Tax Class 03)	03	INDUSTRIAL - SUBJECT TO FRANCHISE TAX - COMMUNITY CODES 114, 117, 118, 162 & 183
	08	ALL EXEMPT ACCOUNTS
	99	IN TAXING MUNICIPALITY - NOT SUBJECT TO TAX - SYSTEM USE ONLY

Only Community Code 101-Texarkana has Additional City Tax calculated separately. The Additional City Tax is rolled into the City Tax for all other communities.
Effective 1/1/08 Texarkana had the Additional City Tax rolled into their City Tax rate and eliminated the Additional City Tax.

Effective 1/1/08 Arkansas eliminated the Daily and Monthly Maximum Tax caps for City and Additional City Taxes.

<u>CITY TAX</u>				<u>ADDITIONAL CITY TAX</u>				<u>FRANCHISE TAX</u>			
Tax Type = CI				Tax Type = AC				Tax Type = FR			
Community #	Community	Rate	Effective Date	City Rate	Additional City Rate	MAXIMUM TAX Daily (D)/Monthly (M)	TAX Amount	TC = 03 Industrial Rate	TC = 00 Normal Rate	Effective Date	Industrials Exempt
101	Texarkana	2.50%	01/01/08	2.50%	0.00%	N/A	N/A	4.00%	6.00%	12/29/06	
110	Ashdown	2.00%	09/01/00	2.00%	0.00%	N/A	N/A	0.00%	4.00%	12/01/94	EXEMPT
111	Booneville	2.00%	10/01/10	2.00%	0.00%	N/A	N/A	0.00%	3.00%	02/02/88	EXEMPT
112	DeQueen	1.00%	07/01/05	1.00%	0.00%	N/A	N/A	0.00%	4.00%	01/01/69	EXEMPT
113	Eureka Springs	2.25%	01/01/03	2.25%	0.00%	N/A	N/A	0.00%	5.00%	11/08/88	EXEMPT
114	Fayetteville	2.00%	01/01/07	2.00%	0.00%	N/A	N/A	1.00%	3.00%	01/01/69	
115	Mena	1.00%	12/01/96	1.00%	0.00%	N/A	N/A	0.00%	4.00%	01/01/69	EXEMPT
116	Nashville	1.00%	01/01/69	1.00%	0.00%	N/A	N/A	0.00%	4.25%	11/01/07	EXEMPT
117	Rogers	2.00%	10/01/96	2.00%	0.00%	N/A	N/A	1.00%	4.00%	01/01/69	
118	Springdale	2.00%	10/01/03	2.00%	0.00%	N/A	N/A	1.00%	4.00%	01/01/69	
119	Waldron	1.00%	09/01/02	1.00%	0.00%	N/A	N/A	0.00%	4.00%	01/01/93	EXEMPT
130	Abbott - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
131	Avoca	1.00%	06/01/88	1.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
132	Brightwater - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
134	Blevins	1.50%	01/01/09	1.50%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
135	Bonanza	1.00%	04/01/02	1.00%	0.00%	N/A	N/A	0.00%	4.25%	03/01/09	EXEMPT
137	Cave Springs	1.00%	01/01/69	1.00%	0.00%	N/A	N/A	0.00%	3.00%	03/01/91	EXEMPT
138	Center Point - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
139	Centerton	2.00%	10/01/99	2.00%	0.00%	N/A	N/A	0.00%	4.00%	01/01/03	EXEMPT
140	Cove	2.00%	04/01/09	2.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
141	Dierks	1.00%	12/05/88	1.00%	0.00%	N/A	N/A	0.00%	4.00%	09/08/87	EXEMPT
142	Elm Springs	1.00%	04/01/04	1.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
143	Excelsior - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
144	Farmington	3.00%	10/01/10	3.00%	0.00%	N/A	N/A	0.00%	6.00%	01/01/69	EXEMPT
145	Foreman	1.00%	07/01/95	1.00%	0.00%	N/A	N/A	0.00%	4.00%	01/01/69	EXEMPT
146	Fouke	1.00%	01/01/69	1.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
147	Fulton	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
148	Gillham	1.00%	01/01/03	1.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
149	Greenland	2.00%	07/01/09	2.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
150	Greenwood	1.75%	01/01/07	1.75%	0.00%	N/A	N/A	0.00%	4.25%	12/29/11	EXEMPT

151	Hackett	1.00%	01/01/03	1.00%	0.00%	N/A	N/A	0.00%	4.25%	02/01/10	EXEMPT
152	Hartford	1.00%	10/01/09	1.00%	0.00%	N/A	N/A	0.00%	4.25%	01/07/00	EXEMPT
153	Hatfield	1.00%	07/01/93	1.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
154	Highland - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
155	Hiwassee - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
156	Horatio	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	4.00%	01/01/69	EXEMPT
157	Huntington	1.50%	10/26/92	1.50%	0.00%	N/A	N/A	0.00%	4.00%	10/26/92	EXEMPT
158	Jenny Lind - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
159	Johnson	2.00%	10/01/05	2.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
160	Lincoln	2.00%	07/01/12	2.00%	0.00%	N/A	N/A	0.00%	4.25%	02/06/01	EXEMPT
161	Lockesburg	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
162	Lowell	2.00%	01/01/04	2.00%	0.00%	N/A	N/A	1.00%	4.00%	01/01/69	
163	Magazine	2.00%	01/01/09	2.00%	0.00%	N/A	N/A	0.00%	4.25%	04/29/04	EXEMPT
164	Mansfield	2.50%	01/01/07	2.50%	0.00%	N/A	N/A	0.00%	4.00%	01/01/69	EXEMPT
165	McCaskill	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
166	Midland	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
167	Mineral Springs	1.00%	08/01/90	1.00%	0.00%	N/A	N/A	0.00%	4.25%	01/01/98	EXEMPT
168	Monte NE - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
169	Murfreesboro	1.50%	10/01/99	1.50%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
170	Ogden	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
171	Ozan	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
172	Pea Ridge	1.00%	01/01/69	1.00%	0.00%	N/A	N/A	0.00%	4.00%	01/01/69	EXEMPT
173	Prairie Grove	2.25%	01/01/06	2.25%	0.00%	N/A	N/A	0.00%	4.25%	11/22/88	EXEMPT
174	Saratoga - Unincorporated	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
176	Washington	1.00%	09/01/93	1.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
177	West Fork	2.00%	10/01/97	2.00%	0.00%	N/A	N/A	0.00%	4.25%	01/01/98	EXEMPT
178	Wilton	1.00%	01/01/91	1.00%	0.00%	N/A	N/A	0.00%	3.00%	09/27/07	EXEMPT
179	Winthrop	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
182	Bethel Heights	2.50%	10/01/07	2.50%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
183	Little Flock	1.00%	01/01/05	1.00%	0.00%	N/A	N/A	1.00%	4.00%	01/01/69	
197	Hope	1.00%	02/01/88	1.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
198	Bentonville	2.00%	10/01/03	2.00%	0.00%	N/A	N/A	0.00%	2.00%	01/01/69	EXEMPT
401	Texarkana - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
410	Ashdown - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
411	Booneville - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
412	DeQueen - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
413	Eureka Springs - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
414	Fayetteville - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
415	Mena - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
416	Nashville - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
417	Rogers - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
418	Springdale - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
419	Waldron - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
431	Avoca - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
434	Blevins - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
435	Bonanza - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
437	Cave Springs - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	
439	Centerton - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A	

440	Cove - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
441	Dierks - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
442	Elm Springs - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
444	Farmington - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
445	Foreman - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
446	Fouke - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
447	Fulton - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
448	Gillham - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
449	Greenland - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
450	Greenwood - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
451	Hackett - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
452	Hartford - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
453	Hatfield - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
456	Horatio - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
457	Huntington - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
459	Johnson - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
460	Lincoln - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
461	Lockesburg- OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
462	Lowell - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
463	Magazine - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
464	Mansfield - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
465	McCaskill - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
466	Midland - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
467	Mineral Springs - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
469	Murfreesboro - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
470	Ogden - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
471	Ozan - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
472	Pea Ridge - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
473	Prairie Grove - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
476	Washington - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
477	West Fork - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
478	Wilton - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
479	Winthrop - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
482	Bethel Hieghts - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
483	Little Flock - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
497	Hope - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A
498	Bentonville - OCL	0.00%	N/A	0.00%	0.00%	N/A	N/A	0.00%	0.00%	N/A

TAX RULES for CITY SALES TAX

- 1) Non-profit Nursing Homes (SIC Code 805000) are exempt from City Tax in all cities with applicable City Taxes except Community Code 145-Foreman. These accounts will be manually exempted with tax class 08 and 100% exemption. **A tax exemption certificate is required.**
- 2) Street Light accounts (Revenue Class 400) in Community Code 101-Texarkana **are subject to** City Tax with tax class 00.
- 3) Street Light accounts (Revenue Class 400) in Community Code 140-Cove **are exempt** from City Tax with tax class 08 and 100% exemption.
- 4) Industrial accounts (Revenue Class 221 and 222) are exempt from City Tax in Community Codes 135-Bonanza, 157-Huntington, 159-Johnson and 163-Magazine with tax class 08 and 100% exemption.
- 5) Federal Government accounts are automatically exempt. (Accounts with SIC Codes 910000 thru 919900 or 431000). Their tax class will be set to 08 with 100% exemption.
- 6) Public Authority accounts (Revenue Class 213, 216, 400 and 720) in Community Code 157-Huntington **are exempt** from City Tax with tax class 08 and 100% exemption.
- 7) Outdoor Light accounts in Community Code 135-Bonanza, 157-Huntington, 159-Johnson and 163-Magazine **are not subject to** City Tax. They will be assigned tax class 99.
- 8) Residential customers with a household income < \$12,000 are eligible for an exemption on the first 500 kWh per month. **A low income exemption certificate is required.** Exemption is achieved by using the special circumstance code of LWI on MFCC.

TAX RULES for ADDITIONAL CITY SALES TAX - Any applicable Additional City Tax Rates are expired effective 12/31/07.

- 1) Non-profit Nursing Homes (SIC Code 805000) are exempt from Additional City Tax in Community Code 101-Texarkana and must be manually exempted with tax class 08 and 100% exemption. **A tax exemption certificate is required.**
- 2) Street Light accounts (Revenue Class 400) in Community Code 101-Texarkana **are subject to** Additional City Tax with tax class 00.
- 3) Outdoor Light accounts in Community Code 101-Texarkana **are not subject to** Additional City Tax and is handled thru the OL/SL flag indicator on the tax rate table (TXRT). They will be assigned tax class 99.
- 4) Federal Government accounts are automatically exempt. (Accounts with SIC Codes 910000 thru 919900 or 431000). Their tax class will be set to 08 with 100% exemption.

TAX RULES for FRANCHISE TAX

- 1) Industrial accounts (Revenue Class 221 and 222) in Community Codes 101-Texarkana, 114-Fayetteville, 117-Rogers, 118-Springdale, 162-Lowell and 183-Little Flock, have a tax class code of 03 because industrial accounts are taxed at a lower rate in those communities.
- 2) Nursing Homes are exempt from Franchise Tax in all communities with applicable franchise taxes **except Community Code 101-Texarkana** and are automatically exempt based on SIC Code = 805000. The tax class is 08 and 100% exemption.
- 3) Outdoor Light accounts in Community Code 101-Texarkana, 162-Lowell, 183-Little Flock, 197-Hope and 198-Bentonville **are subject to** Franchise Tax and is handled thru the OL/SL flag indicator on the tax rate table (TXRT). They will be assigned the appropriate tax class based on the account's Revenue Class.
- 4) Outdoor Light accounts in all other communities except those listed in rule # 3 with applicable Franchise Taxes **are not subject to** Franchise Tax. They will be assigned tax class 99.
- 5) Industrial accounts (Revenue Class 221 and 222) are exempt from Franchise Tax in some Community Codes with tax class 08 and 100% exemption. See table above for exemption status.
- 6) Public Authority accounts (Revenue Class 216, 400 and 720) in community codes that have applicable Franchise Tax, other than Community Code 101-Texarkana, **are exempt** from Franchise Tax with tax class 08 and 100% exemption. In Community Code 101-Texarkana the tax class is 00.
- 7) Public Authority accounts in Revenue Class 213 **are NOT exempt** from Franchise Tax.