



ARKANSAS TAX SYSTEM

UNDERSTANDING THE CONFUSION



INTRODUCTION:

It seems more and more seasoned taxpayers honestly do not understand the property tax system in Arkansas. While it is something that never changes, it is also confusing. What are property taxes? Where do the amounts come from? Why do we have to pay them? These are questions that we all ask, so why not learn the answers. As we all know, our knowledge is solely based on, and only as good as the information that we learn. Which is why we are here today to share with you this information before you take on this responsibility. This will give you a better understanding on how our tax system actually works.

WHAT ARE PROPERTY TAXES YOU ASK?

- Property taxes are a tax assessed on two types of property:
 1. Real Property (land, home, buildings, mobile homes, etc.)
 2. Personal Property (cars, boats, trailers, motorcycles, recreational vehicles, etc.)
- They are the main source of income for county government and an important source of revenue for public school districts.
- Property tax is an Ad Valorem tax on the value of a property. *(Ad Valorem is the Latin term for “according to value”, the amount is based upon a determined value of property.)*
- Taxes are based upon the assessed value placed upon the property by the county Assessor. This value is then multiplied by the millage rate for the school district the property falls within. *(A mil is one-tenth, 1/10, of one cent. This rate is calculated to equally and fairly distribute a portion of the tax amount to each given entity. All millage rates are voted on by taxpayers within that area or community.)*
- Once an assessment has been done, both personal and real estate, you will be taxed a percentage of the value of all assessed property. After the taxable amount is set by the Assessor’s office, it is rolled over to the Collector’s office at the beginning of the following year. You will receive a tax bill in March for the previous years assessments because we pay taxes a year in arrear, meaning a year behind. These taxes are due and payable on March 1st and delinquent on October 15 of each year.

REAL ESTATE PROPERTY



- Real Estate is automatically assessed to the owner on record as of January 1 of each year (per county deeds that are filed).
- Mobile Homes are assessed as real estate property for the purpose of taxation. However, it is the responsibility of the owner to contact the assessor's office any time they purchase, sell, or move a mobile home.
- Real property is assessed at a value of 20% of the true market value.
- A taxpayer who is physically living in the real estate property they own, may claim a homestead credit of \$375 each year on their real property tax for as long they are living in the property.



PERSONAL PROPERTY

- After a purchase, the first step is to assess YOUR new vehicle.
- Personal Property must be reported to the county Assessor every year between January 1 and May 31. Even if the property you own is still the same, is not running, or being tagged. As long as you physically own the property as of May 31, then by Arkansas law you must assess it. Once you assess all personal property you own, the Assessor's office will set the value. **Any personal property owned but not assessed by May 31 will receive a 10% penalty*.*
- Personal property is assessed at a value of 20% of the selling price at the time of assessment.



After you assess your property and make sure all taxes owed have been paid, you are then ready to register your vehicle with the State Revenue Department for car tags. It is of the utmost importance for individuals to realize that any delinquent property taxes in the State of Arkansas must be paid before they will be able to renew or register for car tags yearly.

If you have any outstanding taxes, this will stop you from being able to complete this process.





MOST FREQUENTLY ASKED QUESTIONS:

1. WHY ARE MY TAXES SO HIGH?
2. WHERE ARE MY TAX DOLLARS GOING?



WHY ARE MY TAXES SO HIGH???

- The county Assessor is responsible for appraising all assessed property annually, including personal and real estate. The taxable value of your property is then assessed at 20% of the appraisal.
- The total taxable value of your property is then multiplied by the millage rate of the school district that the property is located in during the time of assessment. This will establish the amount of ad valorem property taxes due.

EXAMPLES OF HOW VALUE = TAX AMOUNT

- If the appraised value for a vehicle is \$10,075 then the assessed value of that vehicle would be \$2,015. If the owner of this vehicle lives within the Jonesboro School District and within the City of Jonesboro, their millage rate would be 42.20. Based on the assessed value and the millage rate, their taxable amount due would be \$85.03.
- If the same vehicle that is appraised at \$10,075 and has an assessed value of \$2,015 but the owner of this vehicle lives within the Brookland School District and within the City of Brookland, their millage rate would be 48.35. Based on the assessed value and the millage rate, their taxable amount due would be \$97.43.

It is important to understand that every school district has a different millage rate. These rates may vary depending on what or if any city limits it falls within. School millage rates are put into place by the vote of the taxpayers.

WHICH ONE DO YOU WANT?



- Appraised value: \$45,000
- Assessed value: \$9,000
- Jonesboro School District / City of Jonesboro: 42.20
- Annual tax amount due: \$379.80



- Appraised value: \$7,500
- Assessed value: \$1,500
- Jonesboro School District / City of Jonesboro: 42.20
- Annual tax amount due: \$63.30

WHICH ONE SHOULD YOU BUY?



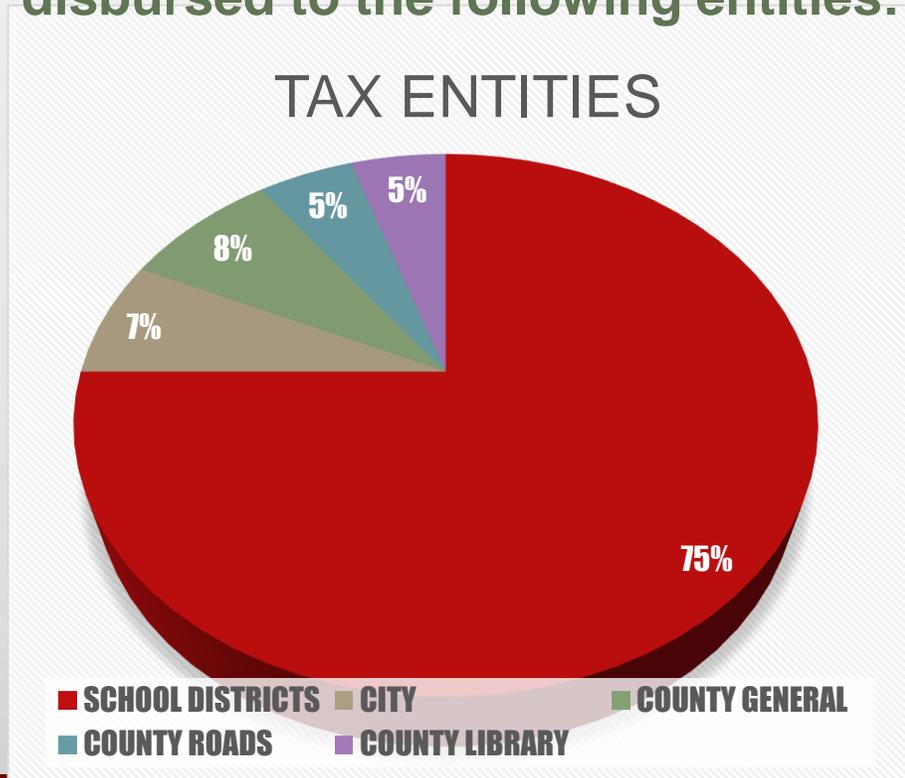
- Appraised value: \$260,000
- Assessed value: \$52,000
- Jonesboro School District / City of Jonesboro: 42.20
- Annual tax amount due: \$2,194.40



- Appraised value: \$85,000
- Assessed value: \$17,000
- Jonesboro school district/City of Jonesboro: 42.20
- Annual tax amount due: \$717.40

WHERE ARE MY TAX DOLLARS GOING?

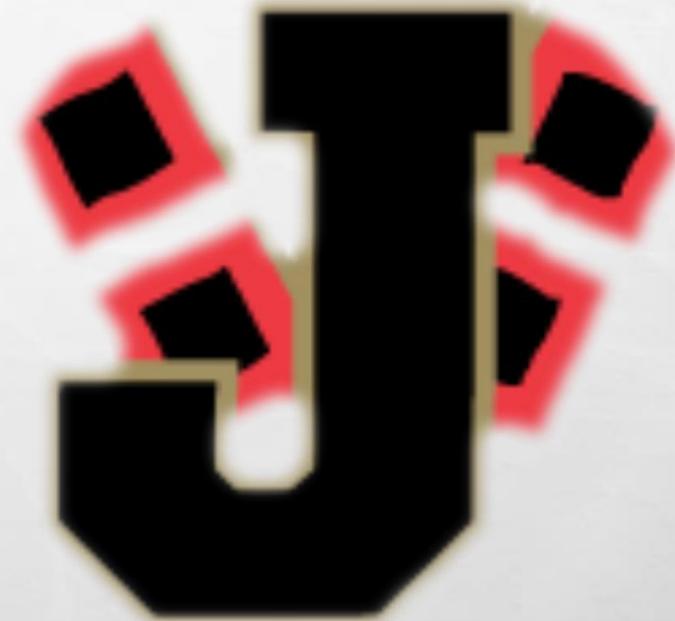
All property taxes collected are disbursed to the following entities:



Jonesboro Resident in JPS District

- 75% go to the school districts
- 7% go to the city
- 9% go to the county general
- 5% go to all county roads (if you live within a city limit this amount is split in half to county and city roads)
- The remaining 5% goes to the county library

Once we can understand how this process works and grasp where our tax amount comes from, we can then appreciate where our tax dollars go and how much we contribute to our community. It is comforting to know where our tax dollars are going and to ensure that they are staying in our own county. Not only are we helping to educate our next generations, but we also are playing a role to help insure that our little piece of the world is a better place for today and tomorrow.



ADDITIONAL INFORMATION ON TAXES:

- All names on a title of a vehicle must have a tax clearance before renewing tags.
- Owing delinquent mobile homes taxes will prevent you from being able to renew tags.
- All taxes are a lien on the property assessed (whether personal or real estate) and will follow the property.
- There is no statute of limitations on taxes owed.
- It is the responsibility of the taxpayer to submit an address change to both the Assessor and the Collector's offices for all current and future tax bills.
- Any person(s) attempting any form of tax evasion, such as selling or disposing of property to avoid property tax assessment and/or paying taxes, can be convicted of a criminal offense and be fined up to \$1,000 for each violation.
- All personal property must be paid before or in conjunction with real property.
- Current taxes may be made in partial payments, of any amount at anytime, between March 1 and October 15.
- Payments may be made in cash, money order, cashier check, personal check (if not delinquent), and credit/debit card.
****All card transactions will have an additional processing fees by the card company****



DID YOU KNOW?:

- ALL monies collected from property taxes stay in our county.
- ALL tax information, as well as deed and lien information, on a person or property is public information.



Visit <http://craigheadcounty.org> for additional information on county offices or policies.

Any questions or inquiries contact your local elected official.

Circuit Clerk: Candace Edwards cedwards@craigheadcounty.org

County Assessor: Hannah Towell, htowell@craigheadassessor.com

County Clerk: Lesli Penny, lpenny@craigheadcounty.org

County Collector: Wesley Eddington, info@craigheadcollector.org

County Coroner: Toby Emerson, tobyemerson@sbcglobal.net

County Judge: Marvin Day, mday@craigheadcounty.org

County Sheriff: Marty Boyd, mboyd@craigheadso.org

County Treasurer: Terry McNatt, tmcnatt@craigheadcounty.org

Here are some helpful links for property tax information:

<https://www.ARcountyData.com> or <http://www.actdatascout.com>

I tried to pay my taxes
with a smile
this year.



It
turns out
they only
accept money.

CO-EDIKIT™
LIVE OUT LOUD



FLAE ONL FOND
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