

State of Arkansas
Department of Finance and Administration
Application for Reduced Rate for Natural Gas or Electricity
Used or Consumed by Manufacturers

Business Name		Contact Person
Mailing Address		Telephone Number
City	State	Zip
Arkansas Sales or Use Tax Permit Number	FEIN	Manufacturer's NAICS Code
Location of Manufacturing Facility		Date Manufacturing Operations Began
Products Manufactured at the Facility		

Name of Utility Supplier	Utility Account Number	Meter Number	Manufacturing Percentage	Full Rate Percentage

* Attach additional schedules if necessary

Instructions

Manufacturing Natural Gas and Electricity Percentage - Natural gas and electricity purchased by an eligible manufacturer and subject to the reduced rate must be used or consumed directly in the manufacturing process to: (a) power machinery and equipment or provide energy used in the actual production or assembly of the manufactured product; or (b) to power machinery and equipment that support the actual production or assembly of the finished product including heating, air conditioning or lighting the manufacturing facility where production and assembling occur; temporary cooling/chilling areas at the beginning or end of the process; maintenance, break and restroom facilities for the production and assembly operations; pollution control equipment; offices for manufacturing supervisory personnel; and other functions within the manufacturing production and assembly facility that support the production of the finished product.

The manufacturing process includes processes beginning at the point where raw materials are first moved from raw material storage to begin manufacturing or processing of those raw materials into items of tangible personal property and ends when the finished manufactured goods are packaged and ready for shipment or storage. Natural gas and electricity used in the manufacturing process is subject to the reduced state sales tax rate. Natural gas and electricity used in storage and warehousing facilities, material handling facilities used before raw materials are moved toward the point of manufacturing, general office facilities, parking lots, grounds, and other non-manufacturing facilities and processes are subject to the full state sales tax rate.

Separate Manufacturing Meters – List each meter as having a 100% Manufacturing Percentage.

Mixed Use Meters - To determine which portion of your purchase of natural gas or electricity is eligible for the reduced manufacturing rate, an energy analysis must be completed. The analysis may be prepared by your company's employees or by an outside firm. The manufacturer may employ any reasonable method to complete the analysis. Prior approval by DFA of the energy analysis method is not required. You must maintain the supporting documents (worksheets) used to calculate the manufacturing percentage.

The manufacturer must provide with this application a narrative explanation of the formula or method employed to determine the percentage of manufacturing use. Mail the completed application and narrative explanation to the Sales and Use Tax Section, P. O. Box 8054, Little Rock, AR 72203-8054.

The undersigned purchaser agrees and certifies that this application and the certification for each meter are true, correct, and complete. In the event there is a substantial change in the eligible percentage, a revised application must be filed with DFA. If the natural gas or electricity taxed at the reduced rate is determined to be fully taxable, the purchaser agrees to remit the tax directly to DFA for any amounts assessed.

 Authorized Signature

 Date