



STATE OF ARKANSAS
**Department of Finance
and Administration**
<http://www.arkansas.gov/dfa>

SALES & USE TAX SECTION
P. O. BOX 1272
LITTLE ROCK, AR 72203-1272
PHONE (501) 682-7104
FAX (501) 682-7904

June 25, 2013

Historic Downtown Farmers Market
121 Orange St
Hot Springs, AR 71913

Dear Historic Downtown Farmers Market,

Please find enclosed a copy of the notice which was originally issued by DFA in 2009 to Arkansas farmers markets regarding Act 1205 of 2009. The notice provided information regarding the eligibility for sales tax exemption when selling raw farm products at farmers markets in Arkansas.

Raw products from the farm, orchard, or garden are exempt from the state and local sales tax only when sold directly to the consumer and user by the producer of the raw products at a farmer's market. Items eligible for the exemption when sold by the producer include without limitation cut or dried flowers, plants, vegetables, fruits, nuts, and herbs.

Under Arkansas law, a farmer's market is defined to be:

1. Comprised of one (1) or more producers of a raw farm product;
2. May only be operated seasonally; and
3. Must be held out-of-doors or in a public place.

Any sellers conducting business at a farmer's market location who sell products that do not qualify for the sales tax exemption and who may need to register to collect Arkansas state and local sales taxes should contact the Sales and Use Tax Section at 501-682-7104. The sales tax permit application form is also available on our website:

<http://www.dfa.arkansas.gov/offices/exciseTax/salesanduse>.

If you have any questions, please feel free to contact us.

Roberta Overman, Manager
Sales and Use Tax Section