

State of Arkansas Property Tax Assessments Statutes

Basis for Property Tax Assessments – Market Value

The assessed value of real and tangible personal property is placed on the assessment records at no more than 20% of true and full market or actual value (Sec.26-26-303(c), A.C.A.). Real property is valued according to its classification at its true market value in money, and tangible personal property is valued at the usual selling price of similar property at the time of listing (Sec. 26-26-1202, A.C.A.)

The value of nonproducing mineral interests is set statutorily at \$0 because of the difficulty of ascertaining the value of such interests and to ensure that they are taxed equally throughout the state. When a mineral interest begins producing minerals, however, the interests are to be assessed under the rules established by the Assessment Coordination Division. (Sec. 26-26-1110(c)(1), A.C.A.)

The Tax Division of the Arkansas Public Service Commission (PSC) assesses public utility and carrier property, both tangible and intangible (Sec. 26-26-1601, A.C.A., Sec. 26-26-1602(b), A.C.A.; Sec. 26-26-1606(b), A.C.A.)

Real Property Defined

Real property means the land and all buildings, structures, improvements, and other fixtures located on the land (Sec. 26-1-101, A.C.A.).

Personal Property Defined

Tangible personal property means every tangible thing that is the subject of ownership, whether animate or inanimate, other than money, and not forming a part of any parcel of real property (Sec. 26-1-101, A.C.A.). Tangible personal property owned by businesses and subject to assessment includes automobiles and other vehicles, inventory, furniture and fixtures, and equipment and machinery.

Intangible Property Taxes

The Arkansas Constitution allows the General Assembly to (1) classify intangible personal property for assessment at lower percentages of value than other property, (2) exempt one or more classes of intangible personal property from taxation, and (3) provide for the taxation of intangible personal property on a basis other than ad valorem (Sec. 1, Amend. 57, Ark. Const.). Accordingly, the General Assembly has exempted all intangible personal property from all tax levies of counties, cities, and school districts since 1976 (Sec. 26-3-302, A.C.A.). However, the valuation of centrally assessed property (see ¶ 231) includes intangibles (Sec. 26-26-1606(b), A.C.A.)

