SUPREME COURT OF ARKANSAS

Tyson Chicken, Inc.; Tyson Mexican Original, Inc.; and Tyson Poultry Inc. v. Jim Hudson, in His Official Capacity as Secretary of the Department of Finance and Administration of the State of Arkansas

2026 Ark. 104 (Ark. 2026) · No. CV-25-16 · Decided June 4, 2026

SUMMARY

The Arkansas Supreme Court affirmed summary judgment denying Tyson’s sales-tax refund claim for taxes paid on rented wooden shipping pallets. The court held that the pallets were used to deliver Tyson’s products but did not become a recognizable integral part of those products under Arkansas’s sales-for-resale exemption.

CASE DETAILS

COURT	Supreme Court of Arkansas
WRITING FOR THE COURT	Per curiam; Nicholas J. Bronni, Associate Justice; Cody Kees, Special Justice; Cory Cox, Special Justice; Womack, Justice
JURISDICTION	Supreme Court of Arkansas
DECIDED	June 4, 2026
DOCKET	CV-25-16
DISPOSITION	affirmed
PROCEDURAL POSTURE	Tyson appealed from a circuit court summary judgment in favor of the Arkansas Department of Finance and Administration denying Tyson's sales-tax refund claim.
STANDARD OF REVIEW	De novo review of the circuit court's grant of summary judgment.
PRECEDENTIAL VALUE	Published Arkansas Supreme Court opinion
PARTIES	Tyson Chicken, Inc., Tyson Mexican Original, Inc., Tyson Poultry Inc. v. Jim Hudson, in his official capacity as Secretary of the Department of Finance and Administration of the State of Arkansas

TOPICS

sales and use tax · tax refunds · statutory interpretation · standard of review · appellate procedure

PRACTICE AREAS

Arkansas sales and use tax · tax refunds · statutory interpretation · summary judgment · appellate procedure

QUESTIONS PRESENTED

1. Whether Tyson's rentals of reusable wooden shipping pallets qualified for Arkansas's sales-for-resale exemption from sales tax.
2. Whether the pallets became a recognizable integral part of Tyson's manufactured or prepared food products under Ark. Code Ann. § 26-52-401(12)(B).

HOLDINGS

1. The pallet rentals do not qualify for Arkansas's sales-for-resale exemption because the pallets do not become a recognizable integral part of the chicken or other food products Tyson sells.

KEY QUOTATIONS

> *"We conclude chicken is just chicken—not chicken plus a pallet."* (2026 Ark. 104, at 1)

> *"They are merely a convenient way to market and deliver it."* (2026 Ark. 104, at 5)

> *"Tyson sells chicken and other foods. It does not sell wooden pallets, no matter how it chooses to deliver its products."* (2026 Ark. 104, at 6)

FACTUAL BACKGROUND

Tyson rented reusable wooden pallets from Commonwealth Handling Equipment Pool to ship chicken and other food products through its supply chain. CHEP retained ownership of the pallets, which were returned after delivery, inspected, repaired if necessary, and rented to other manufacturers. Tyson paid sales tax on the rentals and later sought refunds, arguing that the pallets were tax-exempt sales for resale because they were used to deliver its products.

PROCEDURAL HISTORY

Tyson sought refunds of sales taxes paid on rentals of wooden shipping pallets. The Department of Finance and Administration denied the request, and the Washington County Circuit Court granted the Department's motion for summary judgment. The Supreme Court of Arkansas reviewed the decision de novo and affirmed.

DISPOSITION

affirmed

CASES CITED

- Frigaliment Importing Co. v. B.N.S. Int'l Sales Corp., 190 F. Supp. 116 (S.D.N.Y. 1960)
- Gates v. Hudson, 2025 Ark. 48, 711 S.W.3d 142 (2025)
- Glass Container Corp. v. Pledger, 320 Ark. 10, 894 S.W.2d 599 (1995)

- Hervey v. Int'l Paper Co., 252 Ark. 913, 483 S.W.2d 199 (1972)
- Hervey v. S. Wooden Box, 253 Ark. 290, 486 S.W.2d 65 (1972)
- Dermott Grocery & Comm'n Co. v. Hardin, 203 Ark. 446, 156 S.W.2d 882 (1941)
- Wiseman v. Ark. Wholesale Grocers' Ass'n, 192 Ark. 313, 90 S.W.2d 987 (1936)
