

State of Arkansas  
95th General Assembly  
Regular Session, 2025

## A Bill

SENATE BILL 503

By: Senator Crowell

By: Representative Eaton

### For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS INCOME TAX WITHHOLDING ACT OF 1965; TO REDUCE THE NUMBER OF EMPLOYEES AN EMPLOYER MUST HAVE TO BE MANDATED TO FILE AN ANNUAL WITHHOLDING STATEMENT ELECTRONICALLY; TO REQUIRE THE ELECTRONIC FILING OF A WITHHOLDING RETURN FOR CERTAIN EMPLOYERS; AND FOR OTHER PURPOSES.

### Subtitle

TO REDUCE THE NUMBER OF EMPLOYEES AN EMPLOYER MUST HAVE TO BE MANDATED TO FILE AN ANNUAL INCOME TAX WITHHOLDING STATEMENT ELECTRONICALLY; AND TO REQUIRE THE ELECTRONIC FILING OF A WITHHOLDING RETURN FOR CERTAIN EMPLOYERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-51-908, concerning an employer's withholding return and payment of withheld taxes, is amended to add an additional subsection to read as follows:

(i)(1) An employer that is required to file the annual statement of withholding under § 26-51-909(b) electronically shall file the withholding return required under this section electronically.

(2) A company or other business enterprise that provides the service of reporting and remitting withholding tax on the wages paid to Arkansas employees by another employer for a withholding tax reporting period shall file the withholding return required under this section with the



secretary electronically if the other employer is required to file the annual statement of withholding under § 26-51-909(b) electronically.

(3) The secretary may waive the requirements of this subsection if the secretary determines, on the basis of an application by an employer, that filing the withholding return electronically would cause an undue hardship on the employer.

SECTION 2. Arkansas Code § 26-51-909(b)(2)(B), concerning the annual income tax withholding statement, is amended to read as follows:

(B) An employer who has ~~one hundred twenty five (125)~~ seventy-five (75) or more employees during the employer's income year shall file the statement electronically.

SECTION 3. EFFECTIVE DATES.

(a) Section 1 of this act is effective for tax years beginning on or after January 1, 2026.

(b) Section 2 of this act is effective for tax years beginning on or after January 1, 2025.

APPROVED: 4/14/25