

Title 26. Taxation

Chapter I. Generally, Department of Finance and Administration

Subchapter C. Income Tax Generally

Part 61. Electronic Return Originator

Codification Notes. This part as promulgated prior to codification into the Code of Arkansas of Rules provided as follows:

"This rule is adopted to administer the process of filing electronic returns. Pursuant to Ark. Code Ann. § 26-51-806, the Director of the Department of Finance and Administration has the authority to prescribe the form by which income tax returns are filed. These rules are needed to clarify the procedures for electronic return originators and taxpayers filing and retaining taxpayer signature documents and supporting documentation associated with the electronic filing of individual tax returns. The Director of the Department of Finance and Administration and the Commissioner of Revenue promulgate this rule pursuant to the authority set out in Ark. Code Ann. § 26-18-301."

"Executed this 20th day of March, 2000."

Subpart 1. Generally

26 CAR § 61-101. Definitions.

As used in this part:

(1) "Annual wage forms" means original forms W-2 and 1099 submitted by the taxpayer to the ERO, which are used to compute their individual income tax returns;

(2) "AR8453" means a paper document used to satisfy signature requirements for electronically filed income tax returns submitted to the State of Arkansas by an electronic return originator;

(3) "AR8453OL" means a paper document used to satisfy signature requirements for electronically filed income tax returns submitted to the State of Arkansas by the taxpayer using an internet-based filing service or direct dialup software;

(4) "E-File Section" means the Electronic Filing Section of the Department of Finance and Administration and is the office responsible for the processing of electronically filed income tax returns;

(5)(A) "ERO" or "electronic return originator" means a third party that transmits a tax return electronically on behalf of a taxpayer.

(B) Because the electronic filing process is a joint program between the Internal Revenue Service and the Department of Finance and Administration, an ERO must be approved by the Internal Revenue Service to qualify for this program;

(6) "Supporting forms or schedules" means paper forms that require a signature and thus cannot be filed electronically; and

(7) "Taxpayer" means any person or persons required to file a State of Arkansas Individual Tax Return.

Authority. Arkansas Code §§ 26-18-301, 26-51-816.

26 CAR § 61-102. General procedures for Form AR8453.

(a) The taxpayer and ERO are required to verify that the taxpayer's name, address, Social Security number, and tax return information in the electronic transmission is identical to the information on the form AR8453 before the electronic return data containing Arkansas individual income tax information is transmitted to the Internal Revenue Service Center.

(b)(1) Once both the ERO and the taxpayer or taxpayers have verified the information and they have determined that the information is correct, they must sign the form AR8453.

(2) Both taxpayer signatures are required on a joint return prior to the electronic transmission of the return.

(c) The ERO must provide the taxpayer with a copy of form AR8453, annual wage forms, and a paper copy of Form AR1000 showing the electronic data transmitted to the Internal Revenue Service Center concerning the taxpayer's Arkansas income tax return.

Authority. Arkansas Code §§ 26-18-301, 26-51-816.

26 CAR § 61-103. Retention of Form AR8453.

(a)(1) EROs are responsible for retaining the original AR8453 form or forms, the state copy of the original annual wage forms submitted by the taxpayer, and any other nonelectronic supporting forms or schedules at their place of business for three (3) years from the due date of the return.

(2) Reproductions of the annual wage forms created by the EROs tax preparation software are not acceptable.

(b)(1) EROs are required to produce the original signed Form AR8453, annual wage forms, and any other supporting forms or schedules upon request from the State of Arkansas's representative for compliance and examination purposes.

(2) Any ERO that fails to retain the required records may be suspended from the Arkansas eFile program.

(c) The AR8453 form or forms are not to be submitted to the State of Arkansas unless specifically requested or otherwise stated in this policy.

(d)(1) EROs will submit a copy of the form AR8453 along with supporting forms and schedules that cannot be submitted electronically.

(2) A list of schedules required to be sent is listed in the Department of Finance and Administration publication #1345.

(3) These forms should be submitted to the E-File Section within twenty-four (24) hours of receiving the state acknowledgment of receipt of the electronically filed tax return.

Authority. Arkansas Code §§ 26-18-301, 26-51-816.

26 CAR § 61-104. Cessation of business by ERO.

(a) EROs that cease doing business must notify the E-File Branch within thirty (30) days of the date that they cease doing business.

(b) EROs that cease doing business will be required to forward all retained AR8453 documents to the E-File Branch.

(c) EROs should contact the E-file branch prior to submitting the documents for proper documentation and procedures for the submission of prior year forms.

Authority. Arkansas Code §§ 26-18-301, 26-51-816.

26 CAR § 61-105. Procedure for Form AR8453OL.

(a)(1) Taxpayers who prepare their own returns and file their State of Arkansas tax returns electronically are required to:

(A) Complete and sign form AR8453OL and attach annual wage forms along with any other supporting forms and schedules; and

(B) Mail to the Arkansas E-File Section.

(2) This form is required to be sent to the E-File Section within twenty-four (24) hours of receiving the state acknowledgement of receipt of the electronically filed tax return.

(b) A taxpayer who fails to submit proper documentation timely may be declared to be ineligible to file electronic returns without the assistance of an ERO by the Commissioner of Revenues or his or her designee.

Authority. Arkansas Code §§ 26-18-301, 26-51-816.

26 CAR § 61-106. Date of implementation.

This part will apply to all electronically filed individual income tax returns for the tax year 1999 and later.

Authority. Arkansas Code §§ 26-18-301, 26-51-816.