

State of Arkansas
Department of Finance and Administration
Income Tax Administration



Handbook for Authorized
Arkansas e-File Providers
Of
Corporate, S-Corporation, Partnership
Fiduciary & Composite Income Tax Returns

Tax Year - 2017

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REVISIONS

INTRODUCTION

The State of Arkansas and the Internal Revenue Service continue to experience growth in the Fed-State e-File program. It is our goal to provide the best service possible to the Practitioners and ERO's in order for you to provide the best service possible to your clients.

The Arkansas Electronic Filing Season will use the same testing dates and production dates as the IRS. Testing usually begins in November of each year and production transmissions will begin in January.

All IRS rules, regulations, and requirements governing tax preparers, transmitters, and electronic return originators put forth by the IRS are in effect for the State of Arkansas unless otherwise instructed by Arkansas procedures. See the IRS Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns (Publication 4163).

If you have any questions about Arkansas e-File, please visit our website at:

www.arkansas.gov/efile

TAX PREPARER, TRANSMITTERS AND ERO ASSISTANCE

DO NOT GIVE TO TAXPAYERS

e-File Technical Support:

Caroline Glover, Fiscal Division Manager & e-File Coordinator

Phone: (501) 682-7925

Fax: (501) 682-7393

E-Mail: Caroline.Glover@dfa.arkansas.gov

Cynthia Hastings, e-File Manager

Phone: (501) 682-2194

Fax: (501) 682-7393

E-Mail: Cynthia.Hastings@dfa.arkansas.gov

e-File Webpage:

The e-File webpage provides information for tax professionals and taxpayers. Click on the links provided on the left under e-File for additional pages. For questions concerning the e-File webpages, please contact the e-File Technical Support.

www.arkansas.gov/efile

TAXPAYER ASSISTANCE

Taxpayers should be advised to confirm acknowledgement of their Arkansas return with their practitioners prior to calling the Tele-Tax Help line or Tax Hotline.

Online:

ATAP (Arkansas Taxpayer Access Point) allows taxpayers or their representatives to log on to a secure site and manage their account online.

ATAP can be accessed at www.atap.arkansas.gov. Some features are listed below:

- Make name and address changes
- View account letters
- Make payments
- Check refund status

ATAP is available 24 hours.

(Registration is not required to make payments or to check refund status.)

Phone:

The State of Arkansas Income Tele-Tax Helpline provides taxpayers with information about their refunds and general tax topics. Representatives are available to assist callers at the numbers below during normal business hours (Monday through Friday – 8:00 a.m. to 4:30 p.m. Central Time Zone):

Partnership, Fiduciary & Composite:

- (501) 682-1100
- **E-mail:** individual.income@dfa.arkansas.gov
- **Website:** www.dfa.arkansas.gov

Corporation and S-Corporation:

- (501) 682-4775
- **E-mail:** corporation.income@dfa.arkansas.gov
- **Website:** www.arkansas.gov/ccorp

Forms:

Forms may be obtained by calling one of the above Individual Income Tax numbers or it may be downloaded from the Department of Finance and Administrations website at:

www.arkansas.gov/incometax

FEDERAL/STATE ELECTRONIC FILING

The State of Arkansas continues to offer Fed/State Electronic Filing to their taxpayers. Fed/State Electronic Filing continues to be the fastest way to have tax returns processed by the IRS and the States that participate in this program.

Tax preparers and transmitters accepted in the IRS e-File program can participate in the Fed/State program by filing both the Federal return and the Arkansas return in one transmission to the IRS Service Center, using software accepted by both the IRS and the State of Arkansas. After acknowledging acceptance of the Federal return with state data to the transmitter, the IRS makes the state data available for retrieval by the State of Arkansas. After the state data has been retrieved by the State of Arkansas, it is processed through the State's computer processing system and a separate acknowledgement is created for the State return.

The state return must be sent linked to the federal return (by including the Submission ID of the federal return in the state submission). Linked returns, the federal return must be accepted before the linked state return can be filed.

The State of Arkansas participates in the Fed-State Acknowledgement system. All transmitters should retrieve their State Acknowledgements through the IRS. The transmitter should be able to retrieve the Arkansas acknowledgement (ACKS) within three days or less from the time he receives his Acknowledgement from the IRS. (Please see Transmitting the Arkansas Electronic Return in this Publication.)

ARKANSAS ELECTRONIC FILING CALENDAR

Note: These dates are subject to change at any time.

IRS/State Software Testing Begins Same As IRS

First Date for Transmitting Live Electronic Returns
to IRS/AR Department of Finance & Administration Same As IRS

Last Date for Arkansas Returns Same As IRS

PUBLICATIONS

The procedures in this publication should be used in conjunction with the most current version of the following state and federal publications:

Arkansas Publications:

Publication AR1345	Handbook for Authorized Arkansas e-File Providers Of Individual Income Tax Returns
Publication AR4163	Handbook for Authorized Arkansas e-File Providers Of Partnership, Corporation, S-Corporation, Fiduciary, & Composite Income Tax Returns
Publication AR4164	Arkansas e-File Guide for Software Developers and Transmitters
Publication AR1436	Arkansas e-File Test Package Individual Income Tax Returns
Publication AR5078	Modernized e-File Test Package Partnership, Corporation, S-Corporation, & Fiduciary Returns

IRS Publications:

Publication 1345	Handbook for Authorized IRS e-File Providers of Individual Income Tax Returns
Publication 1436	Test Package for Electronic Filing of Individual Income Tax Returns
Publication 4164	Modernized e-File (MeF) Guide for Software Developers and Transmitters
Publication 5078	Modernized e-File (MeF) Test Package (Business Submissions)
Publication 4163	Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns

RESPONSIBILITIES OF ELECTRONIC FILERS/TRANSMITTERS/ERO'S

Electronic filers, transmitters, and return originators must abide by the terms set forth in the Arkansas Handbook and must maintain a high degree of integrity, compliance, and accuracy to continue participation in the Fed-State Electronic Filing Program. They must also meet the following requirements:

Compliance:

All transmitters and EROs must comply with the requirements and specifications set forth in both the state and federal publications below. Persons or firms not meeting these requirements are subject to having their acceptance into the program revoked.

- Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns (Publication 4163)
- Modernized e-File (MeF) guide for Software Developers and Transmitters (Publication 4164)
- Handbook for Authorized Arkansas e-File Providers of Partnership, Corporation, S-Corporation, Fiduciary, & Composite Income Tax Returns (Publication AR4163)
- Arkansas e-File Guide for Software Developers and Transmitters (Publication AR4164)

Timeliness of Filing:

Transmitters and EROs must ensure that electronic returns are filed in a timely manner.

Further, transmitters and ERO's must confirm acknowledgement of the State return by Arkansas' Department of Finance and Administration before considering the state return received.

Changes to the Return:

If the ERO, Partnership, Corporation, S-Corporation, or Fiduciary wish to make changes after the electronically filed return has been accepted, an amended return must be filed.

Responsibility to Your Clients:

ERO's have been entrusted with the task of filing a client's tax return and must assume the responsibility of ensuring that the return arrives at the Arkansas' Department of Finance and Administration. In the event that the electronic return fails to arrive at its destination, EROs must notify their clients to file a paper return.

Business Closure:

ERO's that cease doing business must notify the e-File Group within 30 days of the date they cease doing business. ERO's who cease doing business will be required to forward all retained AR8453-PE, AR8453-FE, AR8453-C, AR8453-S, AR8453-CR and documents to the e-File Section. ERO's should contact the e-File Group prior to submitting the documents for proper documentation and procedures.

WHO MAY PARTICIPATE

All interested parties who wish to participate in the Arkansas Fed-State Program may do so if they meet the following requirements:

1. They must be accepted by the IRS for Fed/State Electronic Filing.
2. Each Electronic Return Originator (ERO) **MUST** have an accepted Electronic Filer Identification Number (EFIN). This is assigned by the IRS.
3. They must transmit the Arkansas returns to the IRS using software accepted for Fed/State or State Only Electronic Filing.

APPLICATION PROCESS

Those who wish to participate in the Fed/State Electronic Filing Program must apply to the IRS by submitting ***an application on-line via e-services***.

Please notify our office if you have any changes to your IRS application. IRS requires ERO's to update their application information within thirty days of the date of any changes to the information on their current application. The changes must be reported to the State of Arkansas within the same time frame.

The IRS Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Return (Publication 4163) and IRS e-File Application and Participation (Publication 3112) specifies the application process and requirements for Federal participation. These requirements will apply for Arkansas electronic filing purposes under the Fed-State Program.

No separate application form is necessary for the Arkansas Department of Finance and Administration. You **DO NOT** need to provide the Arkansas e-File Group with a copy of your IRS acceptance letter. Arkansas electronic return originators (EROs) do not need to contact the Arkansas e-File Group.

RIGHT TO REVOKE ACCEPTANCE AND APPROVAL

The Arkansas Department of Finance and Administration reserves the right to revoke the acceptance of an ERO or transmitter for cause. Furthermore, the Arkansas Department of Finance and Administration reserves the right to revoke the approval of any software developer for cause. Failure to comply with the guidelines set forth in the Arkansas Handbook for Electronic Filers and Transmitters of Partnership, Corporate, S-Corporation, Fiduciary, Composite Income Tax returns and in Arkansas Modernized e-File Guide for Software Developers and Transmitters is considered just cause.

The following may result in the revocation of a participant's acceptance into the program:

1. Conviction of a criminal offense under the revenue laws of any state, or of any offense involving dishonesty, or breach of trust.
2. Failure to file timely and accurate tax returns, both personal and business.
3. Failure to pay personal tax liabilities or business tax liabilities.
4. Suspension or rejection from the program in a prior year if corrective action is not taken and approved by the Arkansas Department of Finance and Administration.
5. Other facts or conduct of a disreputable nature that would reflect adversely on the program.
6. Unethical practices in return preparation.
7. Suspension by IRS.

RANDOM MONITORING VISITS

EROs serve as agents of the Arkansas Department of Finance and Administration for the origination of Arkansas electronic returns and the retention of the non-electronic Arkansas return data, and the Arkansas Department of Finance and Administration will conduct random monitoring visits with EROs in order to verify compliance with the requirements of the Arkansas Electronic Filing Program.

REPORTING FRAUD, ABUSE OR MISCONDUCT

Tax preparers must be on the lookout for fraud, abuse, and/or misconduct. A potentially abusive return is a return that the taxpayer is required to file but contains inaccurate information that may lead to an understatement of a liability or the overstatement of a credit resulting in a refund to which the taxpayer may not be entitled.

If you suspect a tax preparer is preparing and/or filing fraudulent state tax returns, contact a state representative at 501-682-1100 or 1-800-882-9275.

DATA BREACH REPORTING

The data breach security laws and/or regulations of the **State of Arkansas and the Department of Finance and Administration** noted below, including but not limited to provisions regarding who must comply with the law, definitions of “personally identifiable information”, what constitutes a breach, requirements for notice, and any exemptions.

Arkansas Code Title 4 Business and Commercial Law / Subtitle 7 Consumer Protection

- Chapter 110 Personal Information Protection Act / A.C.A. § 4-110-101 – 108
- <https://arkansasag.gov/consumer-protection/identity/column-one/security-or-data-breach/>

Tax preparers that discover a data breach must notify the State of Arkansas within twenty-four (24) hours. The notification must include all information available with regard to the clients and/or users affected. Notifications can be sent to Arkansas Electronic Filing Section using the following contact information:

- **Phone:** (501) 682-7925 or (501) 682-2194
- **Email:** arefile@dfa.arkansas.gov

ACCEPTANCE AND TESTING

Acceptance by the IRS for filing federal electronic returns qualifies you for participation in the Arkansas electronic filing program, pending completion of a State suitability check. No separate application form is necessary for Arkansas electronic filing.

The IRS requires notification of address changes, contact person changes, etc. within 30 days of the change in order to maintain updated information of the ERO. These changes are also required for the State of Arkansas. Please send any changes to your ERO application form to:

**Electronic Filing Unit
P. O. Box 8094
Little Rock, AR 72203-8094**

**FAX: (501) 682-7393 or
E-Mail: arefile@dfa.arkansas.gov**

After the Arkansas Department of Finance and Administration conducts suitability checks on applicants accepted by the IRS for Arkansas Federal filing, the Department would authorize those that are eligible to participate in the Arkansas program. No notification will be sent to those who are accepted for Arkansas State Electronic filing.

The State of Arkansas will use the Electronic Filer Identification Numbers (EFIN's) and Electronic Transmitter Identification Numbers (ETIN's) that are assigned by the IRS.

All software developers are required to test their software with Arkansas test data. Only software that has been tested and accepted by the Arkansas Department of Finance and Administration may be used for Arkansas Electronic Filing.

The Arkansas e-File Group will retrieve their state test data from the IRS. Test data will be processed, evaluated, and software developers will be notified of results.

Software developers may begin Arkansas testing after they have successfully completed testing with the IRS.

If at any time the IRS suspends your EFIN, you cannot participate in the Arkansas program until you can qualify to participate in the IRS program.

EXCLUSIONS FROM ARKANSAS ELECTRONIC FILING

The following types of returns are excluded from electronic filing:

- Amended Returns
- Prior Year Returns - Tax Year 2014 and prior
- Unlinked Returns (State Only)
- **AR1055-PE** Arkansas Request for Extension of Time for Filing Partnership Tax Returns
(Fiscal Filers Only)
- **AR1055-CR** Arkansas Request for Extension of Time for Filing Composite Tax Returns
(Fiscal Filers Only)
- **AR1055-FE** Arkansas Request for Extension of Time for Filing Fiduciary Tax Returns
(Fiscal Filers Only)
- **AR1155** Corporate Arkansas Request for Extension of Time for Filing Income Tax Returns **(Fiscal Filers Only)**
- **AR1023CT** Application for Income Tax Exempt Status
- **AR1036** Employee Tuition Reimbursement Tax Credit
- **AR1103** Application to be a Small Business Corporation

EXTENSION OF TIME TO FILE REQUEST

Calendar Year Filers:

Calendar year filers can electronically file an Arkansas extension through April 15th (April due date).

Fiscal Year Filers:

Fiscal year filers cannot electronically file an extension through Modernized e-File. An Arkansas Extension of Time request must be completed and **mailed** to the Arkansas Income Tax Section.

Federal Extensions:

All federal extensions will be honored as valid state extensions. If you have filed an Automatic Federal Extension of time to file, it is not necessary to complete an Arkansas Request for Extension.

The Department no longer requires that a copy of Federal Form 4868 or 7004 be attached to your state tax return. If you request an extension using Form AR1055 or Federal Form 4868, you must also check the appropriate box on the front of your Arkansas return.

Failure to Pay Penalty and Interest:

An extension to file is not an extension to pay. Interest and failure to pay penalty will be assessed if any tax due is not paid by the original due date, April 15th, for individual filers. The date of the postmark stamped by the U.S. Postal Service is the date you filed your return or request for extension.

Extension Payment:

Extension Payments can be electronically filed through Modernized e-File or the Arkansas Taxpayer Access Point (ATAP) website. The extension payment made through Modernized e-File must have the AR8453 box 6d checked.

ESTIMATED TAX PAYMENTS

Estimated tax payments can be electronically filed through Modernized e-File or the Arkansas Taxpayer Access Point (ATAP) website. Estimated payments made through Modernized e-File must have the AR8453 box 6d must be checked.

Corporations: A corporation may make estimate and/or extension payments through the Modernized e-File or the Arkansas Taxpayer Access Point (ATAP). See “Taxpayer Assistance” for the website address.

Note: If the corporation is currently set-up or required to make EFT payments, the corporation must use the EFT method or the Arkansas Taxpayer Access Point (ATAP) website to make their estimated and/or extension payments.

SIGNING AN ELECTRONIC TAX RETURN

The taxpayer and paid preparer (if applicable) must sign an electronic income tax return with an electronic signature.

Taxpayers must sign and date the Declaration of Taxpayer to authorize the origination of the electronic submission of the return to the State of Arkansas prior to the transmission of the return to the State of Arkansas. The Declaration of Taxpayer includes the taxpayer's declaration under penalties of perjury that the return is true, correct and complete, as well as the taxpayer's Consent to Disclosure. The Consent to Disclosure authorizes the State of Arkansas to disclose information to the taxpayers' Providers. Taxpayers authorize Intermediate Service Providers, Transmitters and ERO's to receive from the IRS an acknowledgement of receipt or reason for rejection of the electronic return, the reason for any delay in processing the return or refund, and the date of the refund.

Taxpayers must sign a new declaration if the electronic return data on business income tax returns is changed after taxpayers signed the original.

E-FILE SIGNATURE AUTHORIZATION

Arkansas accepts the taxpayer's and tax preparer's personal identification number (PIN) used for the Federal/State electronic filing process to serve as an "electronic signature" to sufficiently identify and link the taxpayer to a particular return. The taxpayer's and tax preparer's state PIN must match the IRS PINs.

The tax preparer will retain a signed form AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR and the tax software will send an electronic verification field that the taxpayer agrees with the perjury statement as listed on the income tax return.

The taxpayers PIN will only be allowed on a linked Federal/State return electronically filed.

ELECTRONIC SIGNATURES FOR ERO's

EROs must also sign with a PIN. EROs should use the same PINs for the entire year. The ERO may manually input or the software can generate the PIN in the electronic record in the location designated for the ERO Electronic Filing Identification Number (EFIN)/PIN. The ERO is attesting to the ERO Declaration by entering a PIN in the ERO EFIN/PIN filed.

For returns prepared by the ERO firm, return preparers are declaring under the penalties of perjury that they reviewed the returns and they are true, correct and complete.

For returns prepared by other than the ERO firm that originates the electronic submission, the ERO attests that the return preparer signed the copy of the return and that the electronic return contains tax information identical to that contained in the prepared return. The ERO must enter the return preparer's identifying information (name, address, EIN, when applicable and PTIN) in the electronic return.

EROs may sign the AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR by rubber stamp, mechanical device (such as signature pen) or computer software program. The signature must include either a facsimile of the individual ERO's signature or of the ERO's printed name. EROs using one of the alternative means is personally responsible for affixing their signatures to state tax returns. This does not alter the requirement that taxpayers must sign AR8453-PE, AR8453-C, AR8453-S, or AR8453-FE by handwritten signature or electronic signature.

The ERO must retain the AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR for three years from the return due date or the Arkansas received date, whichever is later. EROs must not send the AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR to the State of Arkansas unless requested by the State of Arkansas or if the taxpayer is claiming one of the credits listed in this publication (see Documents, Which Must Be Submitted to the State of Arkansas).

ELECTRONIC SIGNATURE GUIDANCE

Electronic signatures appear in many forms, and may be created by many different technologies. No specific technology is required. Examples of currently acceptable electronic signature methods include:

- A handwritten signature input onto an electronic signature pad;
- A handwritten signature, mark or command input on a display screen by means of a stylus device;
- A digitized image of a handwritten signature that is attached to an electronic record;
- A typed name (e.g., typed at the end of an electronic record or typed into a signature block on a website form by a signer);
- A shared secret (e.g., a secret code, password or PIN) used by a person to sign the electronic record;
- A digital signature; or
- A mark captured as a scalable graphic.

The software must record the following data:

- Digital image of the signed form;
- Date and time of the signature;
- Taxpayer's computer IP address (Remote transaction only);
- Taxpayer's login identification – user name (Remote transaction only);
- Identity verification: taxpayer's knowledge based authentication passed results and for in-person transactions, confirmation that government picture identification has been verified; and
- Method used to sign the record, (e.g., typed name or a system log; or other audit trail that reflects the completion of the electronic signature process by the signer).

Note: The ERO must provide this information upon request.

Identity Verification Requirements:

The electronic signing process must be associated with a person, and accordingly, ensuring the validity of any electronically signed record begins with identification and authentication of the taxpayer. The electronic signature process must be able to generate evidence of the person the electronic form of signature belongs to, as well as generate evidence that the identified person is actually associated with the electronic record. If there is more than one taxpayer for the electronic record, the electronic signature process must be designed to separately identify and authenticate each taxpayer.

ELECTRONIC SIGNATURE GUIDANCE (Continued)

In-Person Transaction:

The ERO must inspect a valid government picture identification; compare picture to applicant; and record the name, social security number, address and date of birth. Examples of government picture identification (ID) include a driver's license, employer ID, school ID, state ID, military ID, national ID, voter ID, visa or passport.

If there is a multi-year business relationship, you should identify and authenticate the taxpayer.

Remote Transaction:

The electronic return originator must record the name, social security number, address and date of birth. Verify that the name, social security number, address, date of birth and other personal information on record are consistent with the information provided through record checks with the applicable agency or institution or through credit bureaus or similar databases.

Identity Verification Failure:

If an ERO is unable to complete identity verification after three attempts, the ERO must obtain a handwritten signature.

Electronic Records:

Electronic signatures must be linked to their respective electronic records to ensure that the signatures cannot be excised, copied or otherwise transferred to falsify an electronic record. After the electronic record has been signed, it must be tamper-proof. Therefore, techniques must be employed that lock a document and prevent it from being modified. Storage systems must have secure access control to ensure that the electronic records cannot be modified. Additionally, storage systems must also contain a retrieval system that includes an indexing system, and the ability to reproduce legible and readable hardcopies of electronically stored records.

TRANSMITTING THE ARKANSAS ELECTRONIC RETURN

Since the Arkansas electronic return will be transmitted with the Federal return, the transmitter must comply with all electronic transmitting procedures, communications requirements, and technical specifications by the IRS, as defined in IRS Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns (Publication 4163).

Electronic return originators (EROs) and transmitters must use software that has been accepted by the Arkansas e-File Group for filing the Arkansas return along with the federal return in the Fed/State Electronic Filing program.

Returns must be transmitted to the IRS. An electronic return originator (ERO) whose business lies outside the area supported by the IRS Service Center for Arkansas must ensure that the EFIN is transmitting to the appropriate IRS Service Center.

Rejection by the IRS:

The IRS will identify certain conditions in the state return data that will cause rejection upon receipt of return data. The IRS will provide a rejection code in the acknowledgement record, but this rejection is generated by the IRS and not Arkansas.

If a federal return is rejected due to errors, the accompanying state return will also be rejected. If a state return is rejected due to errors, the federal return will also be rejected. IRS Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns (Publication 4163) provides a list of all reject codes, including those applicable to the state return.

Questions or problems pertaining to acknowledgement status should be directed to your software provider.

BINARY ATTACHMENTS

Arkansas allows for PDF attachments to Modernized e-File (MeF) submissions, if supported by your software. PDF file names are limited to 64 characters. Some tax software reserves a certain number of characters for their use. Description fields included in the XML file are limited to 128 characters. Software developers may have the Description field entered into the tax preparation software rather into the XML. Check with your software developer for specifics on entering this information in your package. The Description field is what is displayed to the Arkansas user when they are viewing the return. It helps them decide which binary attachment they need to view for the information they require.

When multiple forms or statements are required, the taxpayer has the option to put all like-kind statements or forms in one PDF file or creating a separate PDF file for each statement/form.

When a PDF is associated with an entity, enter the name (or part of the name if limited by the total number of characters) at the end of the suggested Description field.

ARKANSAS ACKNOWLEDGEMENTS

The Arkansas acknowledgement system is designed to inform transmitters and EROs that the Arkansas return data has been retrieved and is being processed by the State of Arkansas. The Arkansas acknowledgement (ACKS) is separate from the federal acknowledgement. ***An acknowledgement from the Internal Revenue Service does NOT guarantee that the State of Arkansas has received or will receive the return.***

All transmitters can retrieve Arkansas acknowledgements through the IRS.

EROs must check acknowledgement records on a daily basis to identify returns requiring follow up action and should take reasonable steps to address issues identified on acknowledgement records.

Upon receipt of the State acknowledgement of an electronic Arkansas return, transmitters are required to notify their ERO's as to whether the return was Accepted or Rejected. ***If the return was rejected, the Arkansas reject code must be provided to the ERO's.***

An Arkansas accepted acknowledgement indicates that the return has been received and will be processed.

An Arkansas rejected acknowledgement indicates that the return has been rejected. The ERO must correct the return then either retransmit or file a paper return.

Any questions concerning returns with errors will be directed to the taxpayer or his agent who has power of attorney on file for the year in question.

If you are not receiving your ACKS, please contact your software company. The software company must contact the e-File Section; see Arkansas Modernized e-File Guide for Software Developers and Transmitters (Publication 4164).

ARKANSAS E-FILE RETURN REJECT INFORMATION

Arkansas will reject electronically filed returns that do not meet the required specifications for the tax return being filed. See the Arkansas reject codes for the reject code number and message.

Perfection Period:

An electronically filed return that has been rejected is given a 10-calendar day perfection period. A schema validation reject will **NOT** make it into the perfection period logic since we would not have been able to parse out a valid ID to use.

When a previously rejected electronic return is “Accepted” by Arkansas within the 10-day Transmission Perfection Period, it will be deemed to have been received on the date of the first reject that occurred within the 10-day period.

If Arkansas rejects the electronic portion of an Arkansas income tax return for processing, and the ERO cannot rectify the reason for the rejection, the ERO must take reasonable steps to inform the taxpayer of the rejection within 24 hours. When the ERO advises the taxpayer that it has not filed the return, the ERO must provide the taxpayer with the reject code(s) accompanied by an explanation. If the taxpayer chooses not to have the electronic portion of the return corrected and transmitted to Arkansas or if Arkansas cannot accept the return for processing, the taxpayer must file a paper return. In order to timely file the return, the taxpayer must file the paper return by the later of the due date of the return or 10 calendar days after the date Arkansas gives notification that it rejected the electronic portion of the return or that the return cannot be accepted for processing. Taxpayers should include an explanation in the paper return as to why they are filing the return after the due date.

Schema Validation Errors:

A schema validation error is a software issue. If you are receiving a schema validation error, you will need to contact customer support for the software you are using to correct this issue. The State of Arkansas cannot provide assistance with schema validation errors.

Reject Codes:

A complete listing of the Reject Codes is available on the e-File website:

www.arkansas.gov/efile

ARKANSAS E-FILE RETURN REJECT INFORMATION (Cont.)

Paper Returns:

Tax returns that cannot be filed electronically must be filed by paper and mailed to the proper address shown below.

PARTNERSHIP RETURNS	CORPORATE RETURNS	S-CORPORATION RETURNS
Arkansas Income Tax P. O. Box 8056 Little Rock, AR 72203-8056	Arkansas Income Tax P. O. Box 919 Little Rock, AR 72203-0919	Arkansas Income Tax P. O. Box 919 Little Rock, AR 72203-0919

FIDUCIARY REFUND RETURNS	FIDUCIARY TAX DUE RETURNS	FIDUCIARY NO TAX DUE/REFUND RETURNS
Arkansas Income Tax P. O. Box 1000 Little Rock, AR 72203-1000	Arkansas Income Tax P. O. Box 2144 Little Rock, AR 72203-2144	Arkansas Income Tax P. O. Box 8026 Little Rock, AR 72203-8026

COMPOSITE REFUND RETURNS	COMPOSITE TAX DUE RETURNS	COMPOSITE NO TAX DUE/REFUND RETURNS
Arkansas Income Tax P. O. Box 3628 Little Rock, AR 72203-3628	Arkansas Income Tax P. O. Box 3628 Little Rock, AR 72203-3628	Arkansas Income Tax P. O. Box 3628 Little Rock, AR 72203-3628

RETENTION OF FORM AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, OR AR8453-CR

Effective January 1, 2014 and for future years, Electronic Filers, Transmitters, and Electronic Return Originators must retain all signed AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR forms with all required schedules, attachments and information for three years from the due date of the return or the Arkansas received date, whichever is later.

RECORD KEEPING AND DOCUMENTATION REQUIREMENTS

EROs must retain the following material/documents listed below until the end of the calendar year at the business address from which it originated the return or at a location that allows the ERO to readily access the material as it must be available at the time of the request from the State of Arkansas. An ERO may retain the required records at the business address of the Responsible Official or at a location that allows the Responsible Official to readily access the material during any period of time the office is closed, as it must be available at the time of request by the State of Arkansas to the end of the calendar year.

- A completed and signed copy of Form AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR, Income Tax Declaration for Electronic Filing and supporting documents that are not included in the electronic records submitted to the State of Arkansas;
- Copies of Forms W-2, W-2G and 1099-R;
- A complete copy of the electronic portion of the return that can be readily and accurately converted into an electronic transmission that the State of Arkansas can process; and
- The acknowledgement for the Arkansas accepted returns.
- The Submission ID can be added to the Form AR8453 or
- The acknowledgement containing the Submission ID can be associated with Form AR8453.

Form AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR must be available to the State of Arkansas for three years from the due date of the return or the Arkansas received date, whichever is later. The Submission ID must be associated with Form AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR.

If the acknowledgement is used to identify the Submission ID, the acknowledgement must be kept in accordance with published retention requirements for Form AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR. The acknowledgement is not required to be physically attached to Form AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR; it can be electronically stored.

EROs may electronically image and store all paper records they are required to retain for Arkansas e-File. This includes Forms AR8453-PE, AR8453-C, AR8453-S, AR8453-FE, or AR8453-CR and paper copies of Forms W-2, W-2G and 1099-R as well as any supporting documents not included in the electronic record. The storage system must satisfy the requirements of Revenue Procedure 97-22, 1997-1 C.C. 652, Retention of Books and Records. In brief, the electronic storage system must ensure an accurate and complete transfer of the hard copy to the electronic storage media. The ERO must be able to reproduce all records with a high degree of legibility and readability (including the taxpayers' signatures) when displayed on a video terminal and when reproduced in hard copy.

CHANGES TO THE TRANSMITTED RETURN

Once the Arkansas State return has been accepted, changes to the return cannot be made prior to processing. Below are the instructions for:

- Address Change
- Other Changes to the State Tax Return

Address Change:

ATAP (Arkansas Taxpayer Access Point) allows taxpayers or their representatives to log on to a secure site and manage their account online.

ATAP can be accessed at www.atap.arkansas.gov. Some features are listed below:

- Make name and address changes
- View account letters
- Make payments
- Check refund status

ATAP is available 24 hours.

(Registration is not required to make payments or to check refund status.)

Other Changes to the State Tax Return:

If the transmitter or taxpayer wishes to make any changes after the return has been accepted and acknowledged, the corrected AR1050, AR1100CT, AR1100S, AR1002F, AR1002NR, or AR1000CR along with the **amended box checked** must be mailed to the tax section listed below. The amended cannot be electronically filed.

Partnership Returns:

State Income Tax
P. O. Box 8026
Little Rock, AR 72203-8026

Corporation and S-Corporation Returns:

Corporation Income Tax Section
P. O. Box 919
Little Rock, AR 72203-0919

Fiduciary & Composite Returns:

State Income Tax
P. O. Box 3628
Little Rock, AR 72203-3628

REFUND RETURNS

Electronically filed refund returns have three (3) options:

- Applied to the next year's estimated tax
- All or a portion applied to one of the Check-Offs on the AR1100-CO
- Refunded to them in the form of a paper refund check

ARKANSAS DOES NOT ALLOW DIRECT DEPOSIT ON CORPORATE, S-CORPORATION, FIDUCIARY & COMPOSITE RETURNS

Check-Off Contributions:

Taxpayers can choose to have all or a portion of their refund applied to one of eight (8) listed check-off contributions on the AR1100-CO. The AR1100-CO must be completed as part of the electronic record. If the taxpayer chooses to have a portion of the refund applied to check-off contribution(s), the remaining overpayment will be mailed.

ARKANSAS DOES NOT ALLOW FIDUCIARY REFUNDS TO BE APPLIED TO CHECK-OFF PROGRAMS.

BALANCE DUE RETURNS

Electronically filed balance due return have three (3) options when making a payment.

- e-File
- Payment with payment voucher (AR1100CTV, AR1002V or AR1000CRV)
- Arkansas Taxpayer Access Point (ATAP)

e-File:

Electronically filed tax returns with a balance due can elect to have the amount due debited from their bank account. If the tax return is transmitted on or before April 15th, the requested payment date cannot be later than April 15th. If the return is transmitted after April 15th, the requested payment date must be the transmission date. Penalties may be added if the return is filed after April 15th.

Payment Voucher (AR1100CTV, AR1002V or AR1000CRV):

The appropriate Arkansas payment voucher based on form type must accompany any sort of payment for the following balance due returns: Corporate, S-Corporation, Fiduciary & Composite.

- Payment vouchers must be created and provided by the approved software.
- Pay with check or money order.
- NEVER send cash.
- Corporation's FEIN must be on the check or money order.
- Check or Money order made payable to: Department of Finance and Administration

The payment along with the AR1100CTV, AR1002V or AR1000CRV mailed to:

State Income Tax – ELF Payment
P. O. Box 8149
Little Rock, AR 72203-8149

Online:

ATAP (Arkansas Taxpayer Access Point) allows taxpayers or their representatives to log on to a secure site and manage their account online.

ATAP can be accessed at www.atap.arkansas.gov. Some features are listed below:

- Make name and address changes
- View account letters
- Make payments
- Check refund status

ATAP is available 24 hours.

(Registration is not required to make payments or to check refund status.)