

State of Arkansas
Department of Finance and Administration
Income Tax Administration



**Modernized e-File Guide for
Software Developers and Transmitters**

**Individual, Corporate, S-Corporation,
Partnership, Fiduciary & Composite
Income Tax Returns**

Tax Year - 2017

TABLE OF CONTENTS

Introduction	1
Software Developer Assistance	2
E-File Technical Support.....	2
E-File WebPage	2
Taxpayer Assistance	3
Online	3
Phone.....	3
Arkansas Electronic Filing Calendar	4
Test Dates.....	4
Production Dates.....	4
Publications	5
Arkansas Publications.....	5
IRS Publications	5
Acceptance & Participation	6
Letter of Intent	6
Software ID.....	6
Required Forms.....	6
Developers Responsibilities	7
Compliance	7
Software Standards	7
National Disclosure and Use of Information Standards.....	8
Disclosure and Use of Information Language	9
For Do-It-Yourself software.....	9
For Tax Professional software.....	9
For Business software.....	9
Testing Procedures.....	10
Arkansas Electronic Filing Test Packages	10
Schemas and Transmissions Specifications	11
Packaging Guidelines.....	12
Manifest Form and Submission Types.....	12
Acknowledgement System.....	13

TABLE OF CONTENTS (Continued)

Arkansas e-File Return Reject Information	14
Perfection Period.....	14
Reject Codes	14
General Information	15
Federal Forms & Schedules Required	15
Linked Returns (Fed/State Returns).....	15
Unlinked Returns (State Standalone Returns)	15
Foreign Address	16
PINs.....	16
Authentication Header	16
IRS Forms	16
Fiscal Year Filers	16
52-53 Week.....	16
Exclusions from Arkansas Electronic Filing	17
Additional Information Type Schema.....	18
Binary Attachments	19
Retention of Forms.....	20
Direct Deposit	21
Payment Process.....	22
e-File.....	22
Online	22
Payment Voucher.....	22
Extension of Time to File Request.....	23
Calendar Year Filers	23
Fiscal Year Filers	23
Federal Extensions	23
Failure to Pay Penalty and Interest.....	23
Extension Payment	23
Estimated Tax Payments.....	24
Attachments to AR8453 & AR8453-OL.....	25
Documents, Which Must Be Submitted	26
Certificate for Individuals with Developmental Disabilities (AR1000RC5).....	26
Other State Tax Credit	26

REVISIONS

October 25, 2017

- Manifest Form/submission Type, Page 12
 - oReturn Type & Submission Type – removed hyphens for the state extensions.

October 10, 2017

- Manifest Form/submission Type, Page 12
 - oReturn Type & Submission Type added for the state extensions.

October 9, 2017

- Manifest Form/submission Type, Page 12
 - oReturn Type & Submission Type – Business returns renamed.
- Authentication Header, Page 16
 - oTtlIncomePrYr1 - Updated the line number for AR1100CT

September 19, 2017

Binary Attachments, Page 19 - Report of Income Tax Withheld or Paid on Behalf of Nonresident Member was added.

INTRODUCTION

The State of Arkansas, Department of Revenue, is accepting Modernized e-File (MeF) returns for: Individual, Corporate, S-Corporation, Partnership, Fiduciary, Composite Income Tax Returns, along with corresponding forms and schedules.

The information included in these specifications does not provide all the various tax booklet instructions and tax law detail necessary in the preparation of the Arkansas return.

This publication outlines the communication procedures, transmission formats, business rules and validation procedures for returns filed through the Modernized e-File (MeF) system. To develop software for use with the MeF system, software developers and transmitters should use the guidelines provided in this publication along with the Extensible Markup Language (XML).

SOFTWARE DEVELOPER ASSISTANCE

The Arkansas Electronic Filing representatives are available during normal business hours (Monday through Friday – 8:00 a.m. to 4:30 p.m. Central Time Zone). If you have any questions concerning MeF, please contact one of the representatives below. The representatives listed below are available for software developers and tax preparers.

DO NOT PROVIDE TO TAXPAYERS

E-File Technical Support:

Caroline Glover, Fiscal Division Manager & e-File Coordinator

Phone: (501) 682-7925

Fax: (501) 682-7393

E-Mail: arefile@dfa.arkansas.gov

Cindy Hastings, e-File Manager

Phone: (501) 682-2194

Fax: (501) 682-7393

E-Mail: arefile@dfa.arkansas.gov

E-File Webpage:

Below is the link/address for the Arkansas Electronic Filing Group's webpage. Click on the links to the left under e-File for additional webpages. If you have questions concerning the e-File webpages, please use the contact information shown above.

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:

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).

Individual Income Tax, Partnership, Fiduciary, and Composite returns:

- **Phone:** (501) 682-1100
- **Toll free:** (800) 882-9275
- **E-mail:** individual.income@dfa.arkansas.gov
- **Website:** www.arkansas.gov/incometax

Corporate and S-Corporation Income Tax returns:

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

ARKANSAS ELECTRONIC FILING CALENDAR

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

Test Dates:

The beginning test date for the next year's processing is subject to IRS availability and is subject to change.

IRS/State Software Testing Begins Same As IRS
Last Date for Arkansas Returns Same As IRS
State Software Testing Ends January 1, 2018

Production Dates:

Corporate, S-Corporation, Partnership, Fiduciary, and Composite Income Tax Returns
Begin Date Same As IRS

Individual Income Tax Returns
Begin Date 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 AR1436	Arkansas e-File Test Package - Individual Income Tax Returns
Publication AR5078	Modernized e-File Test Package – Partnership, Corporation, S-Corporation, Fiduciary, & Composite Income Tax Returns

IRS Publications:

Publication 1345	Handbook for Authorized IRS e-File Providers of Individual Income Tax Returns
Publication 1436	Test Package for Electronic Filers of Individual Income Tax Returns
Publication 3112	IRS e-File Application and Participation
Publication 4163	Modernized e-File (MeF) Information for Authorized IRS e-File Providers for Business Returns
Publication 4557	Safeguarding Taxpayer Data: A Guide for Your Business
Publication 4600	Safeguarding Taxpayer Information Quick Reference Guide for Businesses
Publication 5078	Modernized e-File (MeF) Test Package

ACCEPTANCE & PARTICIPATION

Arkansas will accept returns electronically from any IRS approved software provider upon completion of testing with the Arkansas Electronic Filing Group.

Letter of Intent:

Software providers must submit the completed and signed Arkansas Letter of Intent to the Arkansas Electronic Filing Group **prior** to testing.

By completing and submitting the Letter of Intent you agree to comply with all national security summit standards and requirements in addition to the specific state requirements identified in this registration form.

Software ID:

Arkansas requires a software ID for both production and test submissions. The software ID is issued by the Arkansas Electronic Filing Group. If the software product was tested with Arkansas in the previous year, you were issued a software ID. The software ID issued by the Arkansas Electronic Filing Group will be the same every year. All submissions sent without an approved software ID will be rejected in both production and Assurance Testing System (ATS). Each software product is required to have a separate software ID regardless if product is using the same engine as an approved product. All consumer products must have a separate software ID from the professional (preparer) products.

If the software ID needs to be changed, please contact the Arkansas Electronic Filing Group.

Required Forms:

All software products must support the forms listed below:

Arkansas Itemized Deductions (**AR3**)
Arkansas Interest and Dividends (**AR4**)
Schedule of Adjustments (**AR1000ADJ**)
Other Income/Loss and Depreciation Differences (**AR-OI**)
Self-Employed Health Insurance Schedule (**ARSEWS**)
Student Loan Interest Schedule (**ARSLWS**)
Retirement Exclusion Worksheet (**AR-RET**)

DEVELOPERS RESPONSIBILITIES

Compliance:

All tax service providers must comply with the requirements and specifications set forth in both the state and federal publications listed below. Tax service providers not meeting these requirements are subject to having their acceptance into the program revoked.

- IRS Handbook for Authorized IRS e-File Providers of Individual Income Tax Returns (Publication 1345)
- IRS Modernized e-File Guide for Software Developers and Transmitters (Publication 4164)
- Handbook for Authorized Arkansas e-File Providers Of Individual Income Tax Returns (Publications AR1345 & AR4163)
- Arkansas e-File Guide for Software Developers and Transmitters (Publication AR4164)

Software Standards:

- All software providers must adhere to all items in the Arkansas Letter of Intent. Noncompliance with the Arkansas Letter of Intent could result in removal from the Arkansas MeF program.
- Notify the Arkansas e-File Group immediately of any changes to the Arkansas Letter of Intent.
- All software developers must adhere to all Federal and State procedures, requirements and specifications; successfully complete all testing and approval process.
- Software developers must be available to correct any software errors, which may occur after production begins, and work with the Arkansas Electronic Filing Group to follow up on any processing issues that may arise during filing season. If software providers need to re-release corrected software, it should be done in a timely manner and proper notification should be made to all customers.
- Develop tax preparation software in accordance with the statutory requirements and State of Arkansas return preparation instructions.
- Provide accurate Arkansas tax returns in correct electronic format for transmission.
- Software must be capable of producing a printed copy of the complete return (**including all state and federal schedules and attachments**) for the taxpayer and/or Electronic Return Originator (ERO). The software must also be capable of producing the payment vouchers in the approved format.
- Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate or invalid return information.
- Electronic filing (transmission) of any developed software form not approved for electronic filing by the Arkansas Department of Revenue will be denied in Arkansas Department of Revenue production.
- Developed software must prevent electronic transmission of returns and/or supporting documents or schedules not approved for electronic filing by the Arkansas Department of Revenue. This is inclusive of those not supported for electronic filing as well as those supported but not successfully tested and approved by the Arkansas Department of Revenue.

NATIONAL DISCLOSURE AND USE OF INFORMATION STANDARDS

Nationally established language has been developed for the disclosure and use of information related to filing a tax return. This section provides the language to which tax service providers must adhere.

Tax Service Provider Definitions

In this section, “tax service provider” is defined three different ways:

- An **Electronic Return Originator (ERO)** is authorized IRS e-File Provider that originates the electronic submission of returns to the IRS.
- A **Software Developer** is an authorized IRS or state e-File Provider that develops software for the purposes of
 - (a) formatting the electronic portions of returns according to Publication 4164 or state specifications and/or
 - (b) transmitting the electronic portion of returns directly to the IRS or the state. A Software Developer may also sell its software.
- A **Transmitter** is an authorized IRS or state e-File Provider that transmits the electronic portion of a return directly to the IRS or the state. An entity that provides a “bump up” service is also a Transmitter. A bump up service provider increases the transmission rate or line speed of formatted or reformatted information that it is sending to the IRS or the state via a public switched telephone network.

Note: A tax service provider may serve its customers in more than one of these roles.

DISCLOSURE AND USE OF INFORMATION LANGUAGE

A tax service provider may use any tax return information provided by a taxpayer, for the current or prior tax years, for the purpose of identifying a suspicious or potentially fraudulent return that claims to be from, or related to, that taxpayer. For these purposes, “tax return information” means any and all documents or materials that the tax service provider uses in the course of the return preparation and submission process that are provided by the taxpayer or that are required by the taxing authority that the tax service provider uses in the course of the return preparation and submission.

Tax service providers must produce analytic compilations of federal and state tax return and submission information that directly relate to the internal management or support of the tax service provider’s business, which must include aggregated data compilations to identify potentially fraudulent behaviors or patterns.

Tax service providers must disclose the compilations of tax information to Arkansas through IRS secure data transmission on at least a weekly basis and identify by use of federal and state submission IDs any return the preparer believes is potentially fraudulent.

In addition, if a tax service provider has a bona fide belief that a particular individual’s activity, violated a state or federal law, the tax service provider must disclose that individual’s tax return information to the **State of Arkansas and Department of Finance and Administration**.

The following consent language must be added to electronic filing software to notify the user of the use of this information.

For Do-It-Yourself software:

*By using a computer system and software to prepare and transmit return(s) electronically, I consent to the disclosure of all information pertaining to my use of the system and software to the **State of Arkansas and Department of Finance and Administration**, as applicable by law, and to the transmission of my tax return(s).*

For Tax Professional software:

*By using a computer system and software to prepare and transmit my client’s return electronically, I consent to the disclosure of all information pertaining to my use of the system and software to create my client’s return and to the electronic transmission of my client’s tax return to the **State of Arkansas and Department of Finance and Administration**, as applicable by law.*

For Business software:

*By using a computer system and software to prepare and transmit this business return electronically, I consent to the disclosure of all information pertaining to the user of the system and software to create this business return and to the electronic transmission of this business tax return to the **State of Arkansas and Department of Finance and Administration**.*

TESTING PROCEDURES

All Software Developers must test using the test cases from the publication below **and** receive acceptance from Arkansas before submitting live production returns.

Arkansas Electronic Filing Test Packages:

- Individual Income Tax – Publication AR1436
- Corporate, S-Corporation, Partnership, Fiduciary, and Composite – Publication AR5078

Each time test submissions are submitted for approval; a list of the submission ID's **must** be e-mailed to: arefile@dfa.arkansas.gov.

The software instructions to taxpayers for tax returns **accepted** by Arkansas must be submitted to the Arkansas Electronic Filing Group for approval.

The software instructions to taxpayers for tax returns **rejected** by Arkansas must be submitted to the Arkansas Electronic Filing Group for approval.

The Arkansas Electronic Filing Group will notify the MeF support contacts listed on the Letter of Intent by e-mail as soon as possible with the ATS results or ATS approval. **Submissions with previous year's test cases will not be reviewed nor will an e-mail be sent.**

Developers should support all schedules, forms and occurrences that are available for Individual, Corporation, S-Corporation, Partnership, Fiduciary, and Composite e-Filing.

Edits and verification or Business rules are defined for each field or data element within the schema set. Developers must closely follow the requirements for each field to ensure proper data formatting.

Once the State of Arkansas approves your test, an e-mail will be sent authorizing you as an approved software company.

After you have been approved, each update to your software must be tested and re-approved by this office before it is released for productional use.

The Arkansas Department of Revenue will continually monitor the quality of electronic transmissions and payment vouchers. If the quality of the transmission is unacceptable, the Arkansas Department of Revenue will contact the electronic filer, software developer, or transmitter. It is possible that a vendor's software certification may be revoked if a pattern of unacceptable payment vouchers or transmissions is detected.

SCHEMAS AND TRANSMISSIONS SPECIFICATION

Arkansas adopted the eStandards recommended structure in the development of form based schemas. The schemas have been developed to match all tax forms and schedules included in our e-File program.

The eStandards structure adopted by Arkansas includes standardized schemas for header and binary attachments. Arkansas will use a subset of the eStandards Financial Transaction schema for direct deposit information of Individual Income Tax returns. Direct deposit is not available for business returns. Arkansas does not support International ACH Transactions (IAT). If IAT is indicated, a paper check will be sent to the taxpayer.

Software developers should apply the data element restrictions documented in the schema to the corresponding data elements in their software.

Annotations are provided for all line items to help in the development process as well as to provide additional information when a submission is rejected.

All XML data must be well formed.

Returns filed in XML format with SOAP attachments allow for binary attachments to the submission. These attachments could consist of schedules, balance sheets, statement records, or other types of documentation. The allowed file type for an attachment is file extension .PDF. The file order of attachments and procedures must follow the IRS requirements for binary attachments as found in IRS Publication 4163. Arkansas will allow for binary attachments to the state return. State return attachments must use the following format: ARformname.pdf; See “Binary Attachments”.

If the IRS rejects a “linked” submission, the state will not receive the state return portion. The “linked” submission must be re-submitted.

PACKAGING GUIDELINES

A submission should contain an Arkansas state return and a copy of the federal return including wage and income statements.

- Each state return must include a complete copy of the federal return as submitted to the IRS and any attachments associated with that federal return.
- The copy of the federal return must be submitted in the agreed upon IRS XML format.
- Packaging of data and transmission payload must be in the proper format.

Each submission must be a separate file.

Each state return must be submitted in the XML format specified and agreed upon by IRS, state agencies, transmitters, and software developers.

Each submission must be in a Zip (Winzip) archive format as outlined in IRS Publication 4164 – Modernized e-File (MeF) Guide for Software Developers and Transmitters.

The SOAP message itself **must not** be compressed or zipped.

Manifest Form and Submission Types:

The state manifest must follow the guidelines provided by the IRS with the following Arkansas specific Return, Submission, and Category Types

Return Type	Submission Type	Submission Category
FormAR1050	FormAR1050	PART
FormAR1100CT	FormAR1100CT	CORP
FormAR1100S	FormAR1100S	CORP
FormAR1000F	FormAR1000F	IND
FormAR1000NR	FormAR1000NR	IND
FormAR1002F	FormAR1002F	ESTRST
FormAR1002NR	FormAR1002NR	ESTRST
FormAR1000CR	FormAR1000CR	COMP
FormAR1055IT	FormAR1055IT	IND
FormAR1155	FormAR1155	CORP
FormAR1055PE	FormAR1055PE	PART
FormAR1055CR	FormAR1000CR	ICT
FormAR1055FE	FormAR1055FE	ESTRST

ACKNOWLEDGEMENT SYSTEM

Arkansas will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgement record will be in a format approved and agreed upon by the IRS, state agencies, transmitters, and software developers.

Transmitters and software developers should allow 1 to 2 days to receive the Arkansas acknowledgement before contacting the department.

To check the status of an Arkansas acknowledgement, e-mail the following information to the Arkansas Electronic Filing Group:

- Transmission Date
- Submission ID

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.**

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 a taxpayer’s individual 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. 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.

Reject Codes:

Arkansas reject codes can be downloaded from the website below:

www.arkansas.gov/efile

GENERAL INFORMATION

Federal Forms & Schedules Required:

All Individual, Corporate, S-Corporation, Partnership, Fiduciary, and Composite Income tax returns filed electronically with the Arkansas Department of Revenue, **must have the corresponding Federal return along with all schedules included in the submission.** The IRS may not require some W-2's and/or 1099's, forms or schedules; however, Arkansas requires them to be included in the submission.

Linked Returns (Fed/State Returns):

Arkansas will accept only Linked tax returns. The state return must be sent linked to the federal return (by including the submission ID of the federal return in the state submission). The federal return must be accepted before the linked state return can be filed.

Note: If the state submission was previously rejected by Arkansas, the state submission must be resubmitted as "Linked".

A state submission can be linked to the IRS submission by including the submission ID element of the federal return in the IRS submission ID in the State manifest. If the State submission is linked to an IRS submission (also referred to as a Fed/State return), the IRS will check to see if there is an accepted IRS submission under that submission ID. If there is not an accepted federal return for that tax type, the IRS will reject the state submission and an acknowledgement will be sent to the transmitter. The state will not have knowledge that the state return was rejected by the IRS.

Note: With a "linked" submission, the associated IRS return must be filed and accepted by the IRS at the same time, or before, the state portion of the submission is forwarded on to Arkansas.

If there is an accepted return under that submission ID, then IRS MeF will do minimal validation on the state submission that includes a TIN/name control check and verification that the state indicated in the state manifest is a participating state in the applicable 1040, 1041, 1065 or 1120 Fed/State Program. IRS MeF will then pass along to Arkansas what the ERO/taxpayer sends in the State submission.

Unlinked State Returns (State Standalone Returns):

Arkansas does not allow for unlinked state returns (state standalone returns).

GENERAL INFORMATION (CONTINUED)

Foreign Address:

Arkansas accepts foreign address for electronically filed returns. The City, Province or State, Country and Postal Code are to be printed on the City, State and Zip Code line of the Arkansas forms.

PINs:

All state PINs must match the IRS current year PIN.

“On-line” returns **must** use the PIN method to electronically file their Arkansas Individual Income Tax return. The taxpayer(s) must sign the completed AR8453-OL and retain the form for 3 years. See Arkansas Publications AR1345 and/or AR4163 for further guidance.

Authentication Header:

Below are the forms and line numbers to reference the TtlIncomPrYr located in the Business Detail:

AR1050, Line 11 - Arkansas Column
AR1100CT, Line 15
AR1100S, Line 12 - Arkansas Column
AR1002F and AR1002NR, Line 8 - Arkansas Column
AR1000CR, Line 2 or Line 5

IRS Forms:

Arkansas will be using the IRS forms listed in the eStandards schemas IRS Forms folder. Arkansas requires ALL forms to be sent with the Arkansas Income tax return from all sources regardless if the income is not from Arkansas or if there is no Arkansas withholding.

Fiscal Year Filers:

For Arkansas, the tax period ending date determines the tax year. If the tax period ending date ends in 2018 the return will be for tax year 2018. Fiscal year filers must use schemas based on the tax period beginning date to file their return. (i.e. Tax period beginning date is 04/11/2017 with a tax period ending date of 03/31/2018 - must use the 2017 schemas.)

52-53 Week:

A 52-53-week tax year is a fiscal tax year that varies from 52 to 53 weeks but does not have to end on the last day of a month. Filers must use schemas based on the tax period ending date of their return. (i.e. Tax period beginning date is 12/31/2016 with a tax period ending date of 01/06/2017 - must use the 2017 schemas.)

EXCLUSIONS FROM ARKANSAS ELECTRONIC FILING

Specific items below will disqualify the tax return from filing electronically:

- Amended Returns
- **AR1000S** Arkansas Short Form
- Prior Year Returns (2014 & Prior)
- Unlinked Returns
- Online Filed Tax Returns for First Time Filers
- Tax returns that have a different filing status from the federal return. Exception: Those using Married Filing Joint or Married Filing Separately on the Same Return.
- **AR1055-IT** Arkansas Request for Extension of Time for Filing Individual Tax Returns Request **(Fiscal Filers 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
- **1040-SS or 1040-PR** U. S. Self-Employment Tax Return (Including the Additional Child Tax Credit for Bona Fide Residents of Puerto Rico)

ADDITIONAL INFORMATION TYPE SCHEMA

The Additional Information Type Schema is used to capture additional information for particular lines on different forms and schedules where there are items that could have multiple entries or need further explanation. The Additional Information Type Schema is used as a line item statement. When filing a paper return, a statement schedule is usually required to be attached to further explain summary data. This schema is being added to prevent pdf's of comment schedules having to be included in the submission and/or letters from having to be mailed to the taxpayer requesting the additional information. The additional information type can be used to provide additional information for any line of a form or schedule but some lines will require the Additional Information Type Schema. The tax returns with items requiring the Additional Information Type Schema will be rejected if the Additional Information Type Schema has not been completed and is not included in the submission. See the "Arkansas Individual, Corporate, S-Corporation and Partnership Reject Codes" for the items requiring the Additional Information Type Schema. The Additional Information Type Schema is used for both Individual and Business tax returns.

Below are the element types and description:

Name: Taxpayer (Primary or Spouse) or Corporation or Partnership Name.

ID: Taxpayer (Primary or Spouse) Social Security Number (SSN) or Corporation or Partnership Federal Employer Identification Number (FEIN).

ID Type: What type of ID is being used for the line item (SSN or FEIN).

AR Form or Schedule: The source form or schedule name for the additional information.

Ownership Type: The items listed in the enumerations list will be used. If the item is not listed, "Other Income" must be used for that item.

Description: A description of the item. Provide as much information as possible concerning the item (line number, descriptive language, etc.). Providing the information might prevent the taxpayer or tax preparer from receiving a letter asking to provide additional information.

Year: Enter the year for the item. Some items will have prior years shown.

Amount: The amount being claimed for the item.

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 than 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.

Arkansas requires the following elements to be used for the binary attachments used in MeF returns:

- **Early Childhood Credit (AR1000EC)**
 - o Reference: Early Childhood Credit
 - o DocumentTypeCd:
 - o **Desc:** AR1000EC.pdf
 - o AttachmentLocationTxt:
- **Developmentally Disabled Credit**
 - o Reference: Dev Disabled Credit
 - o DocumentTypeCd:
 - o **Desc:** AR1000RC.pdf
 - o AttachmentLocationTxt:
- **Business Incentive Credits (Certificates)**
 - o Reference: BIC
 - o DocumentTypeCd:
 - o **Desc:** "Name of Certificate".pdf
 - o AttachmentLocationTxt:
- **Other State Tax Credit (Other State Returns)**
 - o Reference: Other State Tax Pd
 - o DocumentTypeCd:
 - o **Desc:** "Other State Return".pdf
 - o AttachmentLocationTxt:
- **Report of Income Tax Withheld or Paid on Behalf of Nonresident Member (AR1099-PT)**
 - o Reference: AR1099PT
 - o DocumentTypeCd:
 - o **Desc:** "AR1099PT".pdf
 - o AttachmentLocationTxt:

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.

RETENTION OF FORM AR8453, AR8453-OL, 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 completed and signed AR8453, AR8453-OL, AR8453-CT, AR8453-S, AR8453-PE, AR8453-FE, or AR8453-CR. The ERO shall retain this form along with any original W-2(s), W-2G(s), or 1099(s), and other special forms for 3 years from the original due date of the tax return or the Arkansas received date, whichever is later.

However, if the taxpayer is claiming one of the credits listed below, the AR8453 or AR8453-OL along with the proper documentation must be submitted to the State of Arkansas.

- **Individuals with Developmental Disabilities Credit**
- **Other State Tax Credit**

The ERO must make the forms available to the State of Arkansas upon request. EROs can sign the form using a rubber stamp, mechanical device (such as a signature pen), or computer software program. See Arkansas Publications AR1345 and/or AR4163 for further guidance.

The State of Arkansas requires the taxpayer(s) or officer(s) to sign the appropriate AR8453 according to the electronically filed return. If the PIN method was used to electronically file the State return, the appropriate AR8453 must be signed by the taxpayer(s) or officers(s). See Arkansas Publications AR1345 and/or AR4163 for further guidance.

DIRECT DEPOSIT

Direct Deposit is offered on Individual Income Tax returns ONLY. The state routing and account number must match the federal routing and account number.

- Arkansas does not offer the option of depositing the State refund into more than one account.
- Direct Deposits will not be issued to banks in: Guam, Puerto Rico and the Virgin Islands.
- Arkansas does not support IAT transactions.
- Direct deposit is not available on business returns.

PAYMENT PROCESS

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. The AR8453, Box 6c must be checked.

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.)

Payment Voucher:

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

- Payment vouchers must be created and provided by the approved software.
- All payment vouchers must be approved by the Forms Department.
- Payment vouchers must not be made available for printing prior to Arkansas approval.

EXTENSION OF TIME TO FILE REQUEST

Calendar Year Filers:

Calendar year filers can electronically file an Arkansas extension through April 15th (April due date) for Individual, Fiduciary, Partnership, Composite, Corporate, and S-Corporation income tax returns.

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 by using one of the following forms:

Corporation – Form AR1155
Individual – Form AR1055-IT
Partnership – Form AR1055-PE
Fiduciary – Form AR1055-FE
Composite – Form AR1055-CR

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 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 checked.

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.

ATTACHMENTS TO AR8453 & AR8453-OL

ERO's or taxpayers must attach all schedules and forms listed below to the completed **and** signed AR8453 or AR8453-OL if applicable:

- State copies of Form W-2 (Attach to front of AR8453 or AR8453-OL)
- State copies of Form 1099R (Attach to front of AR8453 or AR8453-OL)
- Individuals with Developmental Disabilities Credit (AR1000RC5 or Recertification Letter). The form or letter along with the AR8453 or AR8453-OL **MUST** be submitted to the State of Arkansas. See "Binary Attachments" or "Special Mailing Instructions" Group.
- Disabled Child Adjustment (AR1000DC) – **MUST BE SIGNED BY TAXPAYER**
- Other State Tax Credit (Tax return(s) from other states). The other state return(s) **MUST** be included in the submission when the Arkansas return is e-Filed. See "Binary Attachments" Group.
- Organ Donor Deduction (AR1000OD) – **MUST BE SIGNED BY TAXPAYER**
- Phenylketonuria Disorder (AR1113) – **MUST BE SIGNED BY TAXPAYER**
- Tax Exemption Certificate for Military Spouse (AR-MS) – **MUST BE SIGNED BY TAXPAYER**
- Early Childhood Credit (AR1000EC)

DOCUMENTS, WHICH MUST BE SUBMITTED TO THE STATE OF ARKANSAS

If one of the credits shown below is being claimed on the AR1000F or AR1000NR, the proper documentation must be submitted to the Arkansas e-File Group.

- **Certificate for Individuals with Developmental Disabilities:** This certificate must be submitted every 5 years or the first year the credit is taken. If it is time for a new certificate to be submitted, the taxpayer should receive a recertification letter from the State of Arkansas.
 - **E-mail Address:** AR8453@dfa.arkansas.gov
 - **Subject:** Taxpayer name and RC5
 - **Attachment:** AR8453 or AR8453-OL along with the AR1000RC5 or Recertification Letter must be attached to the e-mail.
 - **Fax:** (501) 682-7393 - AR8453 or AR8453-OL along with the AR1000RC5 or Recertification Letter must be included in the fax transmission.
 - **Mailing Address:** Arkansas e-File Group
P. O. Box 8094
Little Rock, AR 72203-8094
- **Other State Tax Credit:** When the other state tax credit is claimed on the AR1000F or AR1000NR, copies of the other state tax returns are required to be included in the submission when e-Filing the Arkansas state return.