

State of Arkansas
Department of Finance and Administration
Income Tax Administration



General Rules and
Specifications for Substitute of
Individual, Partnership & Fiduciary
Income Tax Forms, Schedules
And Vouchers

Tax Year – 2017

(Filing Season Beginning 01-01-2018)

REVISIONS

August 30, 2017

Page 7

- **Software ID – Changed phone number**

Page 11

- **Specifications – Removed list**

TABLE OF CONTENTS

Introduction	1
Calendar	2
Publications	3
Arkansas Publication	3
IRS Publication	3
Substitute Tax Forms and Vouchers	3
Tax Forms and Vouchers covered by this publication	3
Tax Forms not covered by this publication.....	3
Forms Developer Assistance	4
Questions.....	4
Where to Send Substitute Forms and Vouchers	4
Substitute Forms Website (Draft Forms Website).....	4
Who Must Get Approval	5
Software Agreement	6
Registration	7
Letter of Intent	7
Software Id.....	7
Approval Process	8
Form Guidelines and Specifications	9
Software Id.....	9
Image Size, Keying Symbols, Line Spacing, and Numbers.....	9
Margins and Layout.....	9
Type Style	9
Paper.....	9
Ink.....	9
Payment and Estimated Tax Voucher	10
Guidelines	10
Specifications	10
Barcode	11
Specifications	11
Right to Revoke Approval	12

INTRODUCTION

Under the direction of the Commissioner of Revenue, the Arkansas Individual Income Tax Section (AIIT) prescribes the format of Arkansas tax returns, schedules, statements, and declarations. Substitute tax forms that are commercially printed, computer produced, computer programmed, or otherwise produced must be pre-approved by AIIT. AIIT's primary objectives are to ensure that substitute tax forms:

- ❖ Are compatible with AIIT's automated processing system;
- ❖ Result in the accurate assessment of the taxpayer's tax liability; and
- ❖ Present information in a uniform pattern.

These guidelines are for commercial printers, developers of tax software, computerized tax processors, computer programmers and others who use substitute tax forms requiring AIIT approval of their substitute tax forms. Unless otherwise stated, the term "form" as used in these guidelines includes: tax returns, schedules, statements and declarations.

The State of Arkansas accepts quality substitute tax forms and vouchers that are consistent with the official forms, schedules or vouchers and have no adverse impact on our processing. AIIT administers the formal acceptance and processing of these forms and vouchers. While this program deals with paper documents, it also reviews for approval of other processing and filing forms such as those used in electronic filing.

Only those substitute forms and vouchers that comply fully with these requirements are acceptable. This publication is updated as required to reflect pertinent tax year form and voucher changes and to meet processing and/or legislative requirements.

Form developers and software developers who propose to reproduce, develop, distribute and/or use Arkansas income tax forms, schedules and vouchers must receive approval to generate any substitute Arkansas income tax form. A substitute form, schedule or voucher must meet the requirements of the Arkansas Individual Income Tax Section and must be approved prior to release or distribution. Arkansas Individual Income Tax Section reserves the right to reject substitute forms, schedules or vouchers with poor legibility or forms that do not meet the sections requirements.

CALENDAR

Letter of Intent Deadline October 31st
Substitute Forms and Voucher Approval Deadline December 31st

SUBSTITUTE TAX FORMS AND VOUCHERS

The following types of forms and vouchers are covered by this publication:

- ❖ Arkansas income tax forms and their related schedules
- ❖ Worksheets as they appear in the instruction packages
- ❖ Forms used for electronically filed returns
- ❖ Estimated tax payment vouchers
- ❖ Payment vouchers
- ❖ Forms and schedules relating to Partnership Income Tax
- ❖ Forms, schedules and vouchers relating to Fiduciary Income Tax

The following types of forms are NOT covered by this publication:

- ❖ W-2's & W-2C's
- ❖ 1099's
- ❖ All federal forms and schedules

PUBLICATIONS

The procedures in this publication should be used in conjunction with the most current version of the following state and federal publications. All form developers and software developers 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.

Arkansas Publication:

Publication AR1167 General Rules and Specifications for Substitute of Individual, Partnership & Fiduciary Income Tax Forms, Schedules and Vouchers

IRS Publication:

Publication 1167 General Rules and Specifications for Substitute Forms and Schedules.

FORMS DEVELOPER ASSISTANCE

Questions concerning Arkansas substitute forms, schedules and vouchers:

E-Mail Address: ARForms@dfa.arkansas.gov

Where to Send Substitute Forms and Vouchers:

Do not send substitute forms or vouchers for approval through the mail, fax or FedEx. Requests for approval for forms and schedules and vouchers must be submitted along with the substitute forms(s) or vouchers via e-mail to ARForms@dfa.arkansas.gov. Submitted forms must not contain taxpayer data.

Substitute Forms Website:

Substitute Forms will be posted on State Exchange System.

WHO MUST GET APPROVAL

Any company or individual who makes a product that produces substitute tax forms to be filed with AIIT via paper or electronically must receive prior written approval from AIIT before releasing or distributing this product to its customers or clients. Examples of companies that must get approval are:

- ❖ Commercial printer or business form companies that market substitute forms;
- ❖ Tax form developers who write computer programs, for their use or for sale to others, that produce computer-prepared substitute tax forms; and
- ❖ Companies that batch process tax returns for tax practitioners using computer programs that produce substitute tax forms.

Customers or clients of companies described above do not need to get additional approval from AIIT to use the substitute tax form. But they should verify that AIIT has approved the substitute tax forms produced by the software they purchase. Examples of customers or clients who should verify AIIT approval are:

- ❖ Tax practitioners who purchase substitute tax forms from commercial printer or business form companies;
- ❖ Tax practitioners who purchase software that produces substitute tax forms;
- ❖ Tax practitioners who use batch processing service bureaus to produce tax returns; and
- ❖ Software providers who sell the products of tax software developers.

Note: If you are a customer or client using the forms, software, services, or products referred to above, verify AIIT approval of the substitute tax forms by asking the software for a copy of their AIIT approval letter.

SOFTWARE AGREEMENT

Any person or company who uses substitute forms and vouchers and makes all or part of the changes specified in this publication agrees to the following stipulations:

- ❖ The State of Arkansas presumes that any required changes are made in accordance with this publication and will not be disruptive to the processing of the tax return.
- ❖ Should any of the changes be disruptive to the State of Arkansas' processing of the income tax return, the person or company agrees to accept the determination of the State of Arkansas as to whether the form or voucher may continue to be filed.
- ❖ The person or company agrees to work with the Arkansas Individual Income Tax Section in correcting noted deficiencies. Notification of the deficiencies may be made by any combination of letter, e-mail or phone contact and may include the request for the re-submission of unacceptable forms or vouchers.
- ❖ Unapproved forms made available in software packages must include a visual indicator with appropriate text prominently displayed on the forms alerting the end user that the form cannot be filed and will be rejected by the State of Arkansas.
- ❖ Once approved, tax forms cannot be altered without the approval from the Arkansas Individual Income Tax Section. Customers must be notified that changing the tax form's font, paper size, paper orientation or otherwise altering the design of the form in any way can result in tax errors, processing delays, and could result in the rejection of the form.
- ❖ Customers must be provided with proper instructions for printing the approved forms including instructions for the payment and estimated payment vouchers. Customers also must be notified that failure to follow the printing instructions can result in tax errors, processing delays, and inability to successfully process the tax form and information entered on the form.
- ❖ When an error relating to form design, written instruction, or other scannable feature of the form is discovered; the form developer will promptly research the cause, correct the error if applicable, and issue a release of a revised product. Individual Income Tax Section and customers must be notified of the required revision to the software product generating the form.

REGISTRATION

Letter of Intent:

Software companies must complete and submit the Arkansas Letter of Intent to the Arkansas Electronic Filing Group **prior** to submitting the first submission of income tax forms or vouchers to be approved. **A separate letter of intent must be completed for each software product and returned to the department.**

By completing the Arkansas Letter of Intent, you agree to comply with all national security summit standards and requirements in addition to the specific state requirements identified in the 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. The forms software ID is the same as the e-file software ID. The software ID issued by the Arkansas Electronic Filing Group, will be the same every year. All substitute forms or vouchers sent without an approved software ID will be rejected. 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 at 501-682-7925 or 501-682-2194. You may also e-mail ARefile@dfa.arkansas.gov.

The software ID will identify the company developing or reproducing the substitute tax form and enable AIIT to contact the company should a problem occur with the substitute tax form or a change be required by law.

APPROVAL PROCESS

Developers should support all forms, schedules and vouchers. All submissions must be a complete package. A complete package means that all forms and schedules should not be submitted separately for approval, and will be rejected if not submitted in a complete package. Separate packages for each tax type may be submitted.

The Arkansas Request for Forms Approval form must be submitted when requesting approval of Arkansas income tax form(s) or schedule(s).

The Arkansas Request for Vouchers Approval form must be submitted when requesting form approval for payment vouchers or estimated tax payment vouchers.

The Arkansas Individual Income Tax Section will e-mail confirmation of receipt of your forms submission, if possible. The Arkansas Individual Income Tax Section will send an e-mail as soon as possible of the approval or correction requirements. If forms, schedules or vouchers require changes, the changes will be listed in the comments section on the Request for Forms Approval or Request for Vouchers Approval. If forms, schedules or vouchers are approved, an approval letter will be sent via e-mail.

Once approved, additional approvals are not needed until a new version of the form or specifications is released. Form developers are responsible for ensuring that they are using the most current version of the form, instructions and specifications.

If you release forms that fail to follow the Guidelines for the Use of Substitute and Reproduced Tax Forms, AIIT:

- ❖ Will work with you to correct the errors in your substitute tax forms;
- ❖ Will require you to send proof (e.g., revised forms, excerpts from revised user's manuals, release letters for new versions of software, etc.) that you have corrected the errors and notified your customers or clients of the corrections; and
- ❖ May notify taxpayers, if you fail to correct the problem, that refunds are delayed because your substitute tax forms were not approved by AIIT.

Submitting Forms:

- Testing will not begin until draft forms have been posted in the State Exchange System.
- Photocopied, scanned or faxed submissions will not be accepted.
- Vendor forms must be submitted via e-mail, in PDF format to:
ARForms@dfa.arkansas.gov
- **One tax type per e-mail. Do not combine tax types within one e-mail.**
- **Do not e-mail forms or vouchers for multiple products. Once approval is received for one product, the corrections must be made to the forms in the next product and may be submitted at that time.**
- Each test submission must include all pages of the form and be in page order.
- The subject line of the e-mail should include the AR Software ID, form name, and whether it is an initial submission or a resubmission.

FORM GUIDELINES AND SPECIFICATIONS

Substitute tax forms must be compatible with AIIT's automated processing system. AIIT must be able to process the substitute tax form in the same manner as the official form. Therefore, all substitute tax forms must meet the following guidelines before AIIT will approve them.

You may modify substitute tax forms to make them suitable for computer preparation. However, AIIT will not permit changes that would impair its ability to review, store, or handle tax forms. If you have questions about your proposed design, please contact AIIT before sending the substitute tax form to AIIT for review. Any substitute tax form that does not conform to the guidelines of this regulation, or that would cause processing problems, may be rejected by AIIT.

Software ID

Substitute tax forms must include the Arkansas software ID. The Arkansas Letter of Intent must be submitted to register your company. Arkansas Electronic Filing Group will assign the Arkansas software ID to your company. The company software ID must be hardcoded on each substitute tax form in the appropriate box. Failure to do so will result in the disapproval of the substitute tax form. The software ID will identify the company developing or reproducing the substitute tax form and enable AIIT to contact the company should a problem occur with the substitute tax form or a change be required by law.

Image Size, Keying Symbols, Line Spacing, and Numbers

Keying symbols and line numbers are codes that AIIT data entry operators use to enter tax return information into the automated processing system. These symbols reduce the time it takes to enter tax return information and help operators to enter the correct information. In preparing substitute tax forms, these keying symbols and line numbers must be duplicated exactly. Failure to do so will result in the disapproval of your substitute tax forms.

Margins and Layout

Substitute tax forms must have margins on all sides at least as large as the margins of the official forms. Generally, margins on the official forms are ½" on all side [sic]. Margins may not be less than those on the original.

Type Style

AIIT will define this standard by form. The print must be laser or offset quality. No dot matrix print will be accepted for the form. Dot matrix print can be used for the variable data entered in the spaces.

Paper

Print substitute tax forms on 20 pound to 24 pound paper. The grain must be long and the color white or the same as the original. Use the same size paper as the official form.

Ink

Use Black ink.

PAYMENT AND ESTIMATED TAX VOUCHER GUIDELINES AND SPECIFICATIONS

Guidelines:

Payment and estimate vouchers have a scanline. Scanlines are machine-readable and require exact font and placement on the printed form. There are two scanline specifications, one specific to payment vouchers and the second to estimate payment vouchers.

Scannable forms are tax year specific. Department approval of tax year specific forms must be obtained annually prior to release and distribution.

All payment and estimate vouchers must contain the software ID. The software ID must be placed under the revision date in the upper left hand corner of the voucher. Any vouchers submitted without the software ID will not be approved.

When submitting vouchers for approval, 10 vouchers with test data per tax type must be submitted.

Specifications:

Voucher specifications are on the State Exchange.

BARCODE SPECIFICATIONS

Arkansas Individual Income Tax Section strongly recommends that you utilize the barcode on the scannable income tax forms created by your software program. The barcode contains the taxpayer's return information, which is directly uploaded from the barcode printed on the form. If the barcode is not read because the printer considerations were not followed when printing the form, then the form is routed for data entry. A properly printed barcode will reduce the amount of time required to process a return.

Specifications:

Barcode specifications are on the State Exchange.

RIGHT TO REVOKE APPROVAL

The Arkansas Department of Finance and Administration reserves the right to revoke the approval of any software product for cause. Failure to comply with the guidelines set forth in the General Rules and Specifications for Substitute of Individual, Partnership & Fiduciary Income Tax Forms, Schedules and Vouchers (AR1167) is considered just cause.

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

- ❖ Conviction of a criminal offense under the revenue laws of any state, or of any offense involving dishonesty, or breach of trust
- ❖ 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
- ❖ Other facts or conduct of a disreputable nature that would reflect adversely on the program
- ❖ Unethical practices in return preparation
- ❖ Suspension by IRS