



Arkansas State Revenue Tax Quarterly

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| Mike Beebe, Governor | Department of Finance & Administration (DFA) Revenue Division | Richard A. Weiss, Director Tim Leathers, Commissioner |
| Volume XVII, No. 4 | DFA HOMEPAGE | October, November, and December 2011 |

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The OCSE website assists employers with their employees' child support obligations. The website allows employers to do the following functions:

- Manage income withholding.
- Verify employment.
- View forms & notices.
- Edit employee information.
- Update employee & dependent insurance coverage.
- Update employee address.
- Maintain all companies listed under a Federal Identification Number (FEIN).
- Subscribe & unsubscribe to online forms.
- Set-up alerts to receive updates and notifications.
- Make online payments by check or credit card.
- View billing coupons.
- View previous payments.
- Print payment history report.

OFFICE OF CHILD SUPPORT ENFORCEMENT (OCSE)

OCSE MyWorkers Website



The OCSE MyWorkers Website will be down for maintenance each Wednesday between 10:00 a.m. and 11:00 a.m. Central time and daily between 5:00 a.m. and 6:00 a.m.

For more information about the Arkansas OCSE, please go to the following link: [OCSE FAQs](#).

The information for this article was cited from the following webpage: [OCSE MyWorkers Website](#).

Arkansas Integrated Revenue System (AIRS) Update

NOTICE: UPDATE ON INCOME TAX ROLLOUT

AIRS is based on the FAST Enterprises Gentax Software product. This system modernizes processing and record keeping for all state taxes, and it offers more comprehensive taxpayer service capabilities.

The following tax sections have previously been included in AIRS: Sales Tax, Collections, Bankruptcy, Discovery, Audit, Withholding, Natural Gas Severance, Motor Fuel, and Individual and Corporate Income Tax.

On August 1, 2011, the 4th AIRS Rollout was implemented and included the majority of the following Miscellaneous Taxes: Beer, Wine, Liquor, Soda, Brine, Timber, Oil, Other Severance, Cigarette, Cigarette Papers, and Other Tobacco Product Taxes.

OFFICE OF INCOME TAX ADMINISTRATION

Rule 2011-1, Standard Mileage Rates for Income Tax Purposes

Rule 2011-1 is currently being amended to coordinate with a change in the allowable federal rate from July 1, 2011 through December 31, 2011.

The rule sets the optional standard mileage rates that were effective July 1, 2011 as follows:

1. For employees or self-employed individuals, the rate will increase by 4.5¢ from 51¢ to 55.5¢ per mile.
2. For transportation expenses deductible as a medical or moving expense, the rate will also increase by 4.5¢ from 19¢ to 23.5¢ per mile.
3. For charitable organizations, the rate will remain at 14¢ per mile.

To read more information on this rule, please go to the Proposed Rule Section on the [DFA Revenue Rule Webpage](#).

OFFICE OF EXCISE TAX ADMINISTRATION

Streamlined Sales Tax Collections

Arkansas is a full member of the Streamlined Tax Governing Board. The following table illustrates how Streamlined Sales Tax Collections have increased since 2005.

| Calendar Year | Sales and Local Tax Collections | Registrations |
|----------------|---------------------------------|---------------|
| Oct-Dec 2005 | \$142,891 | 110 |
| 2006 | \$2,057,138 | 561 |
| 2007 | \$4,972,311 | 664 |
| 2008 | \$6,716,412 | 1,167 |
| 2009 | \$7,259,093 | 1,203 |
| 2010 | \$8,434,499 | 1,409 |
| As of May 2011 | \$3,861,561 | 1,643 |

For additional information on the Streamlined Sales Tax Project, click on the following links: [Streamlined Sales Tax Project](#) & [Streamlined Sales Tax Governing Board](#).

You may also contact Tom Atchley, Administrator for the Office of Excise Tax Administration, at the Arkansas Department of Finance and Administration at 501-682-7200.

Arkansas State Revenue Tax Quarterly



ATAP is a **FREE** web-based service that gives taxpayers or their designated representative online access to their tax accounts and offers the following services:

- ❖ Make a payment.
- ❖ Register a business.
- ❖ File a return on-line (except individual income tax).
- ❖ File a return using XML return upload.
- ❖ Change a name on an account.
- ❖ Change an address on an account.
- ❖ Amend a return.
- ❖ Store banking information for use during payment submission.
- ❖ View tax period financial information (tax penalty, interest, credits, balance, & etc.).
- ❖ View payments received.
- ❖ View recent account activity.
- ❖ View correspondence from the department.

The information for this article was cited from the following webpage: [ATAP Information](#).

To sign up on ATAP, please go to: [ATAP Homepage](#).

Important: Upcoming Local Sales & Use Tax Changes in Arkansas Counties & Towns

Updates to Local Sales and Use Taxes
Please call 501-682-7104 for Periodic Updates or click on the following link:
[Local Sales and Use Tax Updates](#)

| Name | Code | Effective Date | % | Recent Action |
|--------------|-------|----------------|------|---------------|
| Bay | 16-01 | 10/01/11 | 1.00 | Enacted |
| Berryville | 08-02 | 10/01/11 | 2.00 | Increased |
| Bono | 16-03 | 10/01/11 | 1.00 | Enacted |
| Brookland | 16-04 | 10/01/11 | 1.00 | Enacted |
| Clarendon | 48-01 | 10/01/11 | 3.00 | Increased |
| Jacksonville | 60-04 | 10/01/11 | 2.00 | Annexation |
| Paragould | 28-05 | 10/01/11 | 1.25 | Increased |
| Wynne | 19-04 | 10/01/11 | 1.00 | Enacted |

OFFICE OF INCOME TAX ADMINISTRATION

W-2 File Submission Service

Employers may file their W-2s online at the following website: [W-2 File Submission Service](#).

Instructions for submitting W-2s are available on the webpage as well.

Employers may also use the ATAP website to submit W-2s.

If you still have questions after visiting the above referenced webpage, please contact the Withholding Tax Section at 501-682-7290.

HELPFUL WEBPAGE LINKS

[INDIVIDUAL INCOME TAX E-FILE](#)

[INCOME TAX REFUND INQUIRY](#)

[INDIVIDUAL INCOME TAX FILING INFORMATION AND FORMS](#)

[CORPORATION INCOME TAX FORMS](#)

[FEDERAL EMPLOYER IDENTIFICATION NUMBER APPLICATION](#)

[OFFERS IN COMPROMISE \(OIC\) FORMS](#)

[POWER OF ATTORNEY \(POA\) FORM](#)

[MOTOR FUEL TAX](#)

[SMALL BUSINESS CORPORATE \(SUB-S\) REPORTING FORMS](#)

[TAX CREDITS AND SPECIAL REFUNDS](#)

[ARKANSAS CHILD SUPPORT HOMEPAGE](#)

OFFICE OF INCOME TAX ADMINISTRATION

eFiling Reject Information

Sometimes when a state income tax return is transmitted electronically, it is rejected by the state of Arkansas.

When an electronically filed state income tax return has been rejected by the state of Arkansas, normally either the tax return does not meet the Arkansas qualifications for filing electronically, or a schedule or other supporting tax information has failed to be transmitted with the tax return.

Taxpayers/Tax Preparers are informed about a reject when they review the acknowledgement (ACK) file the state of Arkansas sends out after receiving the tax return from the IRS. This file contains information concerning the status of the tax return. If a tax return has been rejected, the ACK will have a reject code telling the tax preparation software the specifics as to why the return was rejected.

Individuals Using an Internet-Based Software Product

If you receive a reject message from the state of Arkansas and your federal return was accepted, you can not resubmit your state tax return electronically. You must print your tax return and mail it to the state of Arkansas. Be sure to attach all original W-2 forms and supporting schedules. The tax return must also be signed by the taxpayer(s). Mail the tax return to:

Arkansas Income Tax
P. O. Box 8094
Little Rock, AR 72203-8094

For Tax Preparers

If your software provides for “state only” filing, then you can correct the problem with the Arkansas tax return and resubmit the return “state only”.

If your software does not support “state only” filing, then you will need to print the Arkansas tax return and mail it to the above address.

The information for this article was cited from the following webpage: [eFiling Reject Information](#).

OFFICE OF INCOME TAX ADMINISTRATION

Credit Card Payments

The Arkansas Department of Finance and Administration (DFA) allows payments to be made for individual income tax liabilities by credit card.

The credit card transactions are made through the Official Payments Corporation.

Credit card payments may be made over the telephone by calling 1-800-2PAY-TAX (1-800-272-9829) or over the internet by visiting the [Official Payments Corporation Homepage](#).

Official Payments Corporation is a private credit card processing service and will charge a convenience fee to your credit card for the use of this service. The Arkansas Department of Finance and Administration (DFA) does not receive this fee. You will be informed of the exact amount of the fee before you complete your transaction.

Taxpayers who filed either by mailing a paper tax return or using e-file may use the credit card payment option. The Arkansas Department of Finance and Administration (DFA) also allows the credit card option to be used for any previous individual income tax debts owed by taxpayers regardless of the tax year.

This service is not available for estimated tax payments at this time.

The information for this article was cited from the following webpage: [Arkansas DFA Credit Card Payment Info](#).

If you still have questions after visiting the above referenced webpage, please contact the Income Tax Section at 501-682-1100.

OFFICE OF INCOME TAX ADMINISTRATION

Estimated Tax Declaration Vouchers & Instructions for Tax Year 2011

Who Must File a Declaration of Estimated Tax?

Every taxpayer subject to the Income Tax Act of 1987, as amended, must file a declaration of estimated tax (voucher 1) with the Department of Finance and Administration for the income year if the taxpayer can reasonably expect their estimated tax to be more than one thousand dollars (\$1,000.00).

Exception: Individuals whose income from farming for the income year can reasonably be expected to amount to at least two thirds (2/3) of the total gross income from all sources for the income year may file a declaration and pay the estimated tax on or before the fifteenth (15th) day of the second (2nd) month after the close of the income year. Instead of filing a declaration, a taxpayer may file an income tax return and pay the full amount of tax on or before the fifteenth (15th) day of the third (3rd) month after the close of the income year.

When to File your Declaration of Estimated Tax?

1. Calendar year 2011 filers must file their declaration of estimated tax on or before April 15 of the income year.
2. Fiscal year files must file their declaration of estimated tax on or before the fifteenth (15th) day of the fourth (4th) month of the income year with the subsequent payments being made on a quarterly installment basis.

IMPORTANT NOTICE:

If the due date of a voucher falls on a Saturday, Sunday, or legal holiday, the payment will be considered timely filed if it is postmarked on the next succeeding business day.

Where to File your Declaration of Estimated Tax?

Mail your declaration of estimated tax (voucher 1) and subsequent payment (**with vouchers**) to the following address:

**Department of Finance and Administration
Income Tax Section
P. O. Box 9941
Little Rock, AR 72203-9941**

Make checks or money orders payable to Department of Finance and Administration. **Write your social security number on the check or money order.**

Underestimate of Tax

A taxpayer who makes a declaration of estimated tax for the income year must estimate an amount not less than ninety percent (90%) of the amount actually due. If a taxpayer fails to make a declaration of estimated tax and pay on the quarterly due date the equivalent of at least ninety percent (90%) of the amount actually due, a penalty of ten percent (10%) per annum shall be added to the amount of the underestimate.

The ten percent (10%) per annum penalty will be assessed on a quarterly basis. A taxpayer who has uneven income may compute the ten percent (10%) penalty on an annualized basis. The underestimate penalty is computed on the lesser of the current year's tax liability or the previous year's tax liability.

An estimated tax worksheet is available to figure your estimated tax for 2011. You must make an actual estimate of your income, deductions, and credits for 2011. Consider all available facts that will affect items during the year. It may be helpful to use last year's income and deductions as a starting point, making adjustments for 2011.

If previously requested on AR1/NR1, the overpayment from 2010 will be credited to your estimated tax for 2011. The overpayment will be credited to the primary social security number on Form AR1/NR1.

The information for this article was cited from the following webpage: [Estimated Tax Declaration Vouchers & Instructions for Tax Year 2011](#).

The previous link also includes copies of the estimated tax declaration vouchers and instructions on how to complete the vouchers.

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If you still have questions, feel free to contact the Estimated Income Tax Section at: (501) 682-7272.

Calendar of Due Dates

October

10/20/11-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
10/24/11-Sales Tax (2nd monthly prepayment).
10/25/11-Motor Fuel Tax (Except IFTA). Severance Tax.
10/31/11-IFTA.

November

11/14/11-Sales Tax (1st monthly prepayment). Employee monthly withholding tax, for prior month (EFT filers only).

11/15/11-Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

11/21/11-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
11/28/11-Sales Tax (2nd monthly prepayment). Motor Fuel Tax (Except IFTA). Severance Tax.

December

12/12/11-Sales Tax (1st monthly prepayment).
12/14/11-Employee monthly withholding tax, for prior month (EFT filers only). 4th Qtr Corporation estimated income tax (Based on calendar year filer) (EFT filers only).

12/15/11-Employee monthly withholding tax, for prior month. 4th Qtr Corporation estimated income tax (Based on calendar year filer) Miscellaneous Tax (Except Severance taxes).

12/20/11-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
12/27/11-Motor Fuel Tax (Except IFTA). Severance Tax. Sales Tax (2nd monthly prepayment).

Contact Info

| | |
|---|------------------------------|
| Corporate Income Tax | 501-682-4775 |
| Taxpayer Assistance for Individual Income Tax | 501-682-1110 800-882-9275 |
| Sales and Use Tax (Tax Inquiries) | 501-682-7104 |
| Motor Fuel Tax | 501-682-4880 |
| Problem Resolution and Tax Information Office | 501-682-7751 |
| Collections | 501-682-5000 501-682-4720 |
| Revenue Legal Counsel | 501-682-7030 |
| Motor Vehicle Administration | 501-682-4692 |
| Field Audit Administration | 501-682-4616 |
| Driver Services Administration | 501-682-7060 |
| Revenue Administration | 501-682-7025 |
| ATAP | 501-683-2827 877-280-2827 |
| Withholding Tax | 501-682-7290 |
| Miscellaneous Tax Section | 501-682-7187 |
| IRS (Taxpayer Advocate) | 501-396-5978 |
| IRS Taxpayer Assistance/Refund Information | 800-829-1040 |
| IRS Federal Tax Forms | 800-829-3676 |

Arkansas Excise and Income Tax Due Date Calendar for 2011

The Arkansas Excise and Income Tax Due Date Calendar for 2011 is available at the following link: [Due Date Calendar for 2011](#).



The Arkansas State Revenue Tax Quarterly is a publication of the Problem Resolution and Tax Information Office. The newsletter is produced and distributed electronically to tax professionals, businesses, and organizations operating in Arkansas.

To be added or deleted from the e-mail list, contact Monica Carmichael by email at: Monica.Carmichael@dfa.arkansas.gov, or by mail at Problem Resolution and Tax Information Office, Ledbetter Building, Room 2460, P. O. Box 1272, Little Rock, Arkansas 72203-1272.

To view previous Arkansas State Revenue Tax Quarterlies, click on the following link: [Previous Arkansas State Tax Quarterlies](#).

OFFICE OF FIELD AUDIT

Reporting Suspicious Tax Activities

To report suspicious tax activities, please go to the following webpage: [Reporting Suspicious Tax Activities](#).

For more information on reporting suspicious activity, please contact the Office of Field Audit by phone at 501-682-4616 or email at fieldAudit@dfa.arkansas.gov.

Suggestions Corner

If you have any suggestions about items to be included on any future newsletters, please email your suggestions to Monica.Carmichael@dfa.arkansas.gov.

DFA Rule Email Distribution List Sign-Up information

The Problem Resolution and Tax Information Office notifies all interested parties via email when the Revenue Section of DFA promulgates any rules.



To be added to the email distribution list, please email Monica Carmichael at: Monica.Carmichael@dfa.arkansas.gov.

Please state in the email that you would like to be added to the email distribution list to be notified about any changes to DFA's Revenue rules.

The rules (regulations) can be accessed at the following link: [Revenue Rules](#).

Upcoming State Observed Holidays

DFA Revenue offices will be closed for the following state observed holidays:

- ✚ Friday, November 11th, in observance of Veteran's Day.
- ✚ Thursday, November 24th, in observance of the Thanksgiving Holiday.
- ✚ Friday, December 23rd & Monday, December 26th, in observance of the Christmas Holiday.