



Arkansas State Revenue Tax Quarterly

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[DFA HOMEPAGE](#)

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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 already been included in AIRS: Sales Tax, Collections, Bankruptcy, Discovery, Audit, Withholding, Natural Gas Severance, and Motor Fuel.

On January 10, 2011, the 3rd AIRS Rollout was implemented and included the Individual and Corporate Income Tax Sections. This will be the last major tax section to become a part of the AIRS system. AIRS Rollouts 4 and 5 will include the remaining Miscellaneous Tax Sections later this year.

OFFICE OF INCOME TAX ADMINISTRATION

Arkansas Income Tax Tips on Interest Paid on Student Loans & Border City Exemption (Texarkana-Arkansas & Texas)

Tax season is now upon us. Included in the following paragraphs are Arkansas individual income tax tips that may be useful for taxpayers and tax return preparers who are in the process of filing tax returns.

Interest Paid on Student Loans

An adjustment may be taken for interest paid on student loans if all of the following apply:

1. You paid interest during the year on a qualified student loan and at least part of the interest paid during the

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year was paid during the first sixty months that payments were required to be paid.

2. You choose a filing status other than “married filing separately on different returns” (Status 5).
3. Your modified adjusted gross income is less than \$75,000 if filing status 1, 3, or 6; or filing \$150,000 if filing status 2 or 4.
4. You are not claimed as a dependent on someone else’s tax return.

Border City Exemption (Texarkana-Arkansas and Texas)

If you lived within the city limits of Texarkana, Arkansas, you are allowed a full exemption from Arkansas income taxation. In addition, Texarkana, Texas residents who worked in Texarkana, Arkansas are exempt from tax. Part year Texarkana residents claim the exemption only on income earned while a resident of Texarkana, Arkansas.

To claim this exemption, you must meet the following conditions:

- You must file using your street address in either Texarkana, Arkansas or Texarkana, Texas. If you use a post office box or rural route, this exemption will be disallowed.
- If you are claiming an exemption for income from a W-2 form, you must attach the Form AR-TX supplied by your employer. The AR-TX is not required for non-wage income such as interest, dividends, Schedule C,

Schedule F, Schedule E, or retirement. Additional information may be required for verification if an adjustment for these types of income is allowed.

- You must file an Arkansas return and report your total income from all sources. You may claim the exemption for eligible income as an adjustment on **Form AR1000F** or **AR1000NR**.

The previous information and more can be found at the following link: [Adjustment to Income Information](#).

Arkansas Individual Income Tax Return Filing Information

Who Must File an Arkansas Individual Income Tax Return

Full year residents of Arkansas must file a tax return if:

- **Single**—gross income of at least \$10,682,
- **Head of Household**—gross income of at least \$15,185,
- **Married filing a joint return, with 1 or less dependents**—gross income of at least \$18,012,
- **Married filing separately, same or different returns**-gross income was at least \$3,999,
- **Qualifying widow or widower with a dependent child**—gross income was at least \$18,012.

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Non-residents or part-year residents who received income from Arkansas sources must file an Arkansas Form AR1000NR regardless of the amount of income received. Any nonresident who received any amount of income from an Arkansas source and any part-year resident of Arkansas who received income from any source after becoming a resident of Arkansas must file a return using **Form AR1000NR**. A nonresident is someone who received income from Arkansas sources but is not a resident of Arkansas. A part-year resident is someone who moved into or out of Arkansas during the tax year.

Married couples cannot file on the same return if one is a resident and the other is not. The resident must file using **Form AR1000F** and the nonresident or part-year resident must file using **Form AR1000NR**. Both must file using Filing Status 5 (Married Filing Separately on different returns).

Arkansas Refund Inquiry Information

If a taxpayer e-filed a complete and accurate return, his or her refund will generally be issued within ten business days after acknowledgment of the receipt of the return.

The average processing time on a complete and accurate paper tax return is six to eight weeks from the time the paper tax return was mailed. Allow eight weeks from the date the paper return was mailed before calling the Income Tax Section concerning the processing of a refund.

If a taxpayer fails to sign the return or does not include all the necessary attachments such as W-2s or related forms or schedules, the return cannot be processed until it is

complete. The Income Tax Section will send the taxpayer correspondence regarding the missing information, or the tax return will be mailed back to the taxpayer for him or her to complete.

If a taxpayer moves after he or she files a tax return, the refund check usually is returned to the Income Tax Section, even if the taxpayer has forwarded his or her mail to the new address. If a taxpayer's refund check is returned to the Income Tax Section, the taxpayer must notify the Income Tax Section of his or her new address by calling (501) 682-1100 in order for the refund check to be re-mailed.

If a math error is made on a taxpayer's tax return, the taxpayer's refund will be delayed. The taxpayer will receive a notice explaining the adjustment to the tax return due to the math error.

Information for Tax Professionals

Tax professionals can go to the following link to view the latest events and procedures relating to the electronic filing of tax returns: [Information for Tax Professionals](#).

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IRS Tax Tip



If you need an exact copy of a previously filed and processed tax return with attachments (including Form W-2), you should complete Form 4506, Request for

Copy of Tax Return, and mail it to the address listed in the instructions, along with a \$57 fee for each tax year requested. Copies are generally available for returns filed in the current year and going back six years.

Also, the IRS is requiring tax return preparers who reasonably expect to file 100 or more returns in 2011 to submit returns electronically.

If you need more information on getting a copy of your IRS tax documents or any other information listed above, please go to the IRS website at the following link where the previous information was cited from: [IRS](#).

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.

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.

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
Bradley	37-01	01/01/11	1.00	Decreased
Fort Smith	65-01	01/01/11	2.00	Annexation
Guy	23-07	01/01/11	1.00	Decreased
Jonesboro	16-11	01/01/11	1.50	Increased
Mountain Home	03-01	01/01/11	1.00	Annexation

HELPFUL WEBPAGE LINKS

[INDIVIDUAL INCOME TAX E-FILE](#)

[INCOME TAX REFUND INQUIRY](#)

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

[CORPORATION INCOME TAX FORMS](#)

[PREVIOUS ARKANSAS STATE TAX QUARTERLIES](#)

[ARKANSAS TAXPAYER ACCESS POINT \(ATAP\)](#)

[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 CREDIT AND SPECIAL REFUND](#)

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Contact Info

Corporate Income Tax	501-682-4775
Taxpayer Assistance for Individual Income Tax	501-682-1100 800-882-9275
Sales and Use Tax (Tax Inquiries)	501-682-7104
Motor Fuel Tax	501-682-4800
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
Arkansas Taxpayer Access Point (ATAP)	501-683-2827 877-280-2827
Withholding Tax	501-682-7290
Miscellaneous Tax Section	501-682-7187
IRS Taxpayer Assistance/Refund Information	800-829-1040
IRS Federal Tax Forms	800-829-3676
IRS (Taxpayer Advocate)	501-396-5978

Calendar of Due Dates

January

01/12/11-Sales Tax (1st monthly prepayment).
 01/14/11-Employee monthly withholding tax, for prior month (EFT filers only).
 01/17/11-4th Qtr Individual estimated income tax (Based on calendar year filer). Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

01/20/11-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.
 01/24/11-Sales Tax (2nd monthly prepayment).

01/25/11-Motor Fuel Tax (Except IFTA). Severance Tax.

01/31/11-Employee withholding tax report for prior year (Annual filers only) IFTA.

February

02/14/11-Sales Tax (1st monthly prepayment). Employee monthly withholding tax, for prior month (EFT filers only).

02/15/11-Employee monthly withholding tax, for prior month. Miscellaneous Tax (Except Severance Taxes).

02/22/11-Dyed Diesel- Motor Fuel Tax. Sales & Use Tax.

02/24/11-Sales Tax (2nd monthly prepayment).

02/25/11-Motor Fuel Tax (Except IFTA). Severance Tax.

02/28/11-Employer's annual reconciliation of income tax withhold (Including W-2's & 1099's).

March

03/14/11-Sales Tax (1st monthly prepayment).Employee monthly withholding tax, for prior month (EFT filers only).

03/15/11-Employee monthly withholding tax, for prior month. Ark income tax returns ("C" or "S" corporation, check the box partnership, LLC). (Based on calendar year filers; return due date 2 ½ months after end of tax year). Miscellaneous Tax (Except Severance Taxes).

03/21/11-Dyed Diesel-Motor Fuel Tax. Sales & Use Tax.

03/24/11-Sales Tax (2nd monthly prepayment).

03/25/11-Motor Fuel Tax (Except IFTA). Severance Tax.

Through April 18th

04/12/11-Sales Tax (1st monthly prepayment).

04/14/11-Employee monthly withholding tax, for prior month (EFT filers only). 1st Qtr estimated income tax (Based on calendar year filer). (EFT filers only).

04/15/11-Miscellaneous Tax (Except Severance Taxes).

04/18/11-Employee monthly withholding tax, for prior month. Ark income tax returns (partnership, LLC, individual). (Based on calendar year filers; return due date 3 ½ months after end of tax year). Extension Payment Voucher 5 (Individual Income Tax). 1st Quarter estimated income tax (Based on calendar year filer).

*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.

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](#)