

ARKANSAS REGISTER

Transmittal Sheet



Sharon Priest
Secretary of State
State Capitol Rm. 01
Little Rock, Arkansas 72201-1094

For Office Use Only: Effective Date 6/2/96 Code Number 006.05.96--004

Name of Agency Department of Finance & Administration

Department Revenue Division

Contact Person Beth Carson, Chief Counsel Phone 682-7030

Statutory Authority for Promulgating Rules Arkansas Code Annotated 26-56-806
and Arkansas Code Annotated 26-18-301

		Date
Intended Effective Date	Legal Notice Published	4/14/96
<input type="checkbox"/> Emergency	Final Date for Public Comment	5/20/96
<input checked="" type="checkbox"/> 10 Days After Filing	Filed With Legislative Council	4/9/96
<input type="checkbox"/> Other	Reviewed by Legislative Council	96 MAY 29 96
	Adopted by State Agency	PH 2:05

CERTIFICATION OF AUTHORIZED OFFICIAL

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with Act 434 of 1967 As Amended.

Donald J. Zer
Signature

682-7751
Phone Number

Taxpayer Information Officer
Title

May 21, 1996
Date

FILED
APR 29 1996
SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS
PH 2:05

**INCOME TAX REGULATION 1996-2
ELECTRONIC FILING
PROVIDING TAXPAYER WITH RETURN**

Pursuant to Ark. Code Ann. §26-51-806, the Director of the Department of Finance and Administration has the authority to prescribe the form by which income tax returns are filed. In conjunction with that provision, the Director has authorized electronic filing of individual income tax returns beginning in January of 1996. The regulations are needed to prescribe the procedures for electronically filing income tax returns. The Director of the Department of Finance and Administration and the Commissioner of Revenue promulgate this regulation pursuant to the authority set out in Ark. Code Ann. § 26-18-301.

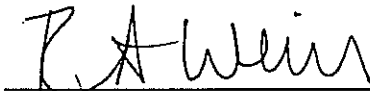
(1) Definitions:

- (A) An "Electronic Filer" is a firm, organization or individual that participates in the Electronic Filing Program.
- (B) An "Electronic Return Originator" (ERO) is a firm, organization or individual who deals directly with the taxpayer. An ERO may or may not be a preparer, as it is defined as an:
 - (i) "Electronic Return Preparer" who prepares tax returns, including AR8453, for taxpayers who intend to have their returns electronically filed; or
 - (ii) "Electronic Return Collector" who accepts completed tax returns including AR8453 from taxpayers who intend to have their returns electronically filed.
- (C) A "Transmitter" is categorized as a firm, organization or individual who transmits electronic returns directly to the IRS Data Communications Subsystem.

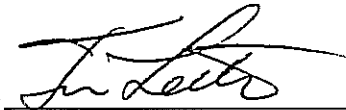
- (2) After the effective date of this regulation, preparers/transmitters of an electronic filing must provide the taxpayer a copy of the return and the AR8453.
- (3) Taxpayers who choose to file their returns electronically must complete Part 2 of the AR8453; the "Declaration of Taxpayer." After the return has been prepared and before the return is transmitted electronically, the taxpayer must verify the information on the return and the AR8453 and sign and date the AR8453. If filing a joint return, both signatures are required prior to the electronic transmission of the return.
- (4) AR8453 is the electronic filing tax return for the purposes of taxpayer verification and signature. A blank form AR8453 is the same as a blank tax return. **Preparer/transmitters and ERO's shall not allow taxpayers to sign a blank return.**

- (5) It is permissible for the preparer to have the taxpayer review the completed tax return on a display terminal. The taxpayer should review the completed form AR8453 before signing and dating it.
- (6) Before signing the AR8453, the taxpayer should review the attachments to the form including:
 - (A) State copies of Forms W-2 (Attached to front of AR8453);
 - (B) State copies of Form 1099 (Attached to front of AR8453);
NOTE: Forms 1099 are required only when Arkansas withholding occurs.
 - (C) Schedules/statements explaining tax differences between Arkansas and IRS.
 - (D) Documents requiring signatures, if applicable.

Executed this 5th day of May, 1996.



Richard Weiss, Director
Arkansas Department of Finance and Administration



Timothy Leathers, Commissioner of Revenue
Arkansas Department of Finance and Administration

DEPARTMENT: Department of Finance and Administration
DIVISION: Revenue Division
PERSON COMPLETING
THIS STATEMENT: David Foster, Income Tax Administrator
TELEPHONE NO.: (501) 682-1130
FAX NO.: (501) 682-1691

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE: **Income Tax Regulation 1996-2 (Electronic Filing Providing Taxpayer With Return)**

1. Does this proposed, amended, or repealed rule or regulation have a financial impact?
Yes: **XX** No:
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain. **Does Not Apply**
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. **Does Not Apply**

1995-96 Fiscal Year

General Revenue: _____
Federal Funds: _____
Cash Funds: _____
Special Revenue: _____
Other: _____
Total: _____

Does Not Apply

1996-97 Fiscal Year

General Revenue: _____
Federal Funds: _____
Cash Funds: _____
Special Revenue: _____
Other: _____
Total: _____

Does Not Apply

4. What is the total estimated cost by fiscal year to any party subject to the, proposed, amended, or repealed rule or regulation? **Does Not Apply**

1995-96 Fiscal Year

Does Not Apply

1996-97 Fiscal Year

Does Not Apply

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

1995-96 Fiscal Year

\$25,000 one time

1996-97 Fiscal Year

None