

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 389 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: S2/3/05

A Bill

SENATE BILL 249

5 By: Senators Wooldridge, Glover, Hill, Miller, Trusty
6 By: Representative Jackson
7
8

For An Act To Be Entitled

10 AN ACT TO PROVIDE FOR PAYMENT OF WITHHOLDING TAX
11 THROUGH THE FEDERAL ELECTRONIC FUNDS TRANSFER
12 PAYMENT SYSTEM; AND FOR OTHER PURPOSES.
13

Subtitle

14 AN ACT TO PROVIDE FOR PAYMENT OF
15 WITHHOLDING TAX THROUGH THE FEDERAL
16 ELECTRONIC FUNDS TRANSFER PAYMENT
17 SYSTEM.
18
19
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 26-19-105(c), pertaining to payment of
24 income withholding taxes by electronic funds transfer, is amended to read as
25 follows:

26 (c)(1) The transfer shall be made no later than the day before the due
27 date for payment of the taxes so that payment of the taxes is received by the
28 director on or before the due date for payment of the taxes as required by
29 the laws of this state.

30 (2)(A) A taxpayer who pays income withholding tax by electronic
31 funds transfer or through the state module of the electronic funds transfer
32 payment system of the federal Department of the Treasury in the time and
33 manner required by this section shall not be required to file a monthly
34 withholding return.

35 (B) However, the taxpayer shall annually file a



1 withholding return, setting forth the basis for each monthly payment made
2 during the year by electronic funds transfer or through the state module of
3 the electronic funds transfer payment system of the federal Department of the
4 Treasury, on or before the fifteenth day following the end of each year.

5 (C) The annual withholding return shall be made on such
6 form, and shall include such information, as the director prescribes.

7 (3) Except as otherwise provided by this subchapter, no taxpayer
8 required to pay tax by electronic funds transfer or who remits tax through
9 the state module of the electronic funds transfer payment system of the
10 federal Department of the Treasury shall be relieved from filing returns or
11 complying with all other requirements of state tax laws.

12 (4)(A) Starting with withholding tax reporting periods beginning
13 on January 1, 2001, and for all subsequent reporting periods, a company or
14 any other business enterprise which provides the service of reporting and
15 remitting withholding tax on the wages paid to Arkansas employees by other
16 employers shall remit all such withholding taxes to the director by
17 electronic funds transfer.

18 (B) However, a company or business which provides tax
19 reporting and remitting services shall not be required to remit withholding
20 taxes by electronic funds transfer if the company or business provides those
21 services for fewer than one hundred (100) Arkansas employers.

22 (C) For the purposes of subdivision (c)(4) of this
23 section, the term "Arkansas employer" means any employer required by Arkansas
24 law to withhold, report, and remit Arkansas income tax on the wages, salary,
25 or other compensation paid to its employees within this state.

26
27 SECTION 2. Arkansas Code § 26-19-105, pertaining to payment of state
28 tax through electronic funds transfer, is amended to add a new subsection to
29 read as follows:

30 (d) The following may elect to utilize the state module of the
31 electronic funds transfer payment system of the federal Department of the
32 Treasury to pay monthly income withholding taxes by electronic funds transfer
33 for tax years beginning on and after January 1, 2006:

34 (1) Any taxpayer who is not required by subdivision (a)(1) of
35 this section to pay income withholding taxes by electronic funds transfer; or

36 (2) Any business that provides tax reporting and remitting

1 services that is not required by subdivision (c)(4) of this section to pay
2 income withholding taxes by electronic funds transfer.

3
4 /s/ Wooldridge

5
6
7 APPROVED: 2/24/2005
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

1