

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1379

Bill Subtitle: TO REQUIRE THE ELECTRONIC FILING OF CERTAIN SALES AND USE TAX RETURNS.

Basic Change :

Sponsors: Rep. McAlindon and Sen. Crowell

HB1379 amends § 26-52-501 and § 26-53-125 to require electronic filing of sales and use returns and remittances. Starting for tax years beginning on or after January 1, 2024, a taxpayer who has an average monthly gross receipts tax or compensating use tax liability of \$5,000 or more for the preceding fiscal year that began on July 1 and ended on June 30 will be required to file all sales and use tax returns and remittances electronically.

HB1379 allows the Department of Finance and Administration (DFA) to waive the electronic filing requirement upon the showing of an undue hardship on a taxpayer.

The bill will be effective for tax years beginning on or after January 1, 2024.

Revenue Impact :

None.

Taxpayer Impact :

A business with an average monthly sales or use tax liability of \$5,000 or more for the preceding fiscal year would be required to report and remit their sales and use tax returns and payments electronically. A business would be eligible to request a waiver of the electronic filing requirement if an undue hardship were to exist.

Resources Required :

The Arkansas Integrated Revenue System (AIRS) will require programming to implement this change at an estimated cost of \$48,000.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

DFA staff would be trained on this update as well as the taxpayer community.

Other Comments :

None.

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Legal Analysis :

None.