

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.

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

9 **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

14 **Subtitle**

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

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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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  
36 withholding return, setting forth the basis for each monthly payment made



1 during the year by electronic funds transfer or through the state module of  
2 the electronic funds transfer payment system of the federal Department of the  
3 Treasury, on or before the fifteenth day following the end of each year.

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

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

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

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

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

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

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

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

35 (2) Any business that provides tax reporting and remitting  
36 services that is not required by subdivision (c)(4) of this section to pay

1 income withholding taxes by electronic funds transfer.

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