This regulation is promulgated pursuant to Ark. Code. Ann. § 26-18-301, § 26-51-806, and §26-51-904, which authorizes the Director of Department of Finance and Administration to promulgate regulations and to prescribe forms necessary to administer and enforce the state tax laws.

The Director of the Department of Finance and Administration delegates the authority to prescribe tax forms under this regulation to the Commissioner of Revenues for the Revenue Division of the Department of Finance and Administration.

A. INTRODUCTION

Under the direction of the Commissioner of Revenue, the Arkansas Individual Income Tax Section (AIIT) prescribes the format of Arkansas tax returns, schedules, statements, and declarations. Substitute tax forms that are commercially printed, computer produced, computer programmed, or otherwise produced must be pre-approved by AIIT. AIIT’s primary objectives are to ensure that substitute tax forms:

- Are compatible with AIIT’s automated processing system;
- Result in the accurate assessment of the taxpayer’s tax liability; and
- Present information in a uniform pattern.

These guidelines are for commercial printers, developers of tax software, computerized tax processors, computer programmers and others who use substitute tax forms requiring AIIT approval of their substitute tax forms. Unless otherwise stated, the term “form” as used in these guidelines includes: tax returns, schedules, statements and declarations.

B. WHO MUST GET APPROVAL OF SUBSTITUTE TAX FORMS?

Any company or individual who makes a product that produces substitute tax forms to be filed with AIIT must receive prior written approval from AIIT before releasing or distributing this product to its customers or clients. Examples of companies that must get approval are:

- Commercial printers or business forms companies that market substitute forms;
Tax software developers who write computer programs, for their use or for sale to others, that produce computer-prepared substitute tax forms; and

Companies that batch process tax returns for tax practitioners using computer programs that produce substitute tax forms.

Customers or clients or companies described above do not need to get additional approval from AIIT to use the substitute tax form. But they should verify that AIIT has approved the substitute tax forms produced by the software they purchase. Examples of customers or clients who should verify AIIT are:

- Tax practitioners who purchase substitute tax forms from commercial printers or business forms companies;
- Tax practitioners who purchase software that produces substitute tax forms;
- Tax practitioners who use batch processing service bureaus to produce tax returns; and
- Software providers who sell the products of tax software developers.

Note: If you are a customer or Client using the forms, software, services, or products referred to above, verify AIIT approval of the substitute tax forms by asking the vendor for a copy of their AIIT approval letter.

C. WHAT ARE THE GUIDELINES FOR PREPARING SUBSTITUTE TAX FORMS?

Substitute tax forms must be compatible with AIIT’s automated processing system. AIIT must be able to process the substitute tax form in the same manner as the official form. Therefore, all substitute tax forms must meet the following guidelines before AIIT will approve them.

You may modify substitute tax forms to make them suitable for computer preparation. However, AIIT will not permit changes that would impair its ability to review, store, or handle tax forms. If you have questions about your proposed design, please contact AIIT before sending the substitute tax form to AIIT for review. Any substitute tax form that does not conform to the guidelines of this regulation, or that would cause processing problems, may be rejected by AIIT.

1. Company Identification Code

Substitute tax forms must include a company identification code. The company identification code may be the company’s initials or some other alpha or alphanumeric code chosen by your company. The company identification code must be registered with AIIT. Use for AR 9101, Letter of Intent to Abide by the Guidelines for the Use of Substitute and Reproduced Tax Forms, to register your company
identification code. (A copy of form AR 9101 is attached to this Regulation as Attachment #1). The company identification code must be printed on each substitute tax form in the upper left corner. Failure to do so will result in the disapproval of the substitute tax form. The company identification code will identify the company developing or producing the substitute tax form and enable AIIT to contact the company should a problem occur with the substitute tax form or a change be required by law.

2. **Image Size, Keying Symbols, Line Spacing, and Numbers**

   Keying symbols and line numbers are codes that AIIT data entry operators use to enter tax returns information into the automated processing system. These symbols reduce the time it takes to enter tax return information and help operators to enter the correct information. In preparing substitute tax forms, these keying symbols and line numbers must be duplicated exactly. Failure to do so will result in the disapproval of your substitute tax forms.

3. **Margins and Layout**

   Substitute tax forms must have margins on all sides at least as large as the margins of the official forms. Generally, margins on the official forms are ½” on all sides [sic]. Margins may not be less than those on the original.

4. **Type Style**

   AIIT will define this standard by form. The print must be laser or offset quality. No dot matrix print will be accepted for the form. Dot matrix print can be used for the variable data entered in the spaces.

5. **Paper**

   Print substitute tax forms on 20 pound to 24 pound paper. The grain must be long and the color white or the same as the original. Use the same size paper as the official form.

6. **Ink**

   Use Black ink.
D. WHAT ARE THE GUIDELINES FOR PREPARING REPRODUCED TAX FORMS?

AIIT will accept reproductions of official forms without prior approval if the reproductions are:

- Facsimiles of the official form produced by photo-offset, photoengraving, photocopying or similar reproduction process;
- Printed with black ink on white paper of substantially the same weight, texture, and quality of the official form;
- Legible in both the original text of the form and the filled-in data; and
- The same dimensions as the official form, including the paper and the image reproduced on it.

The signatures of the taxpayer and the tax preparer on the reproduced forms must be original. AIIT will accept one-sided reproduced forms even in the official form is two-sided. However, AIIT prefers two-sided reproduced forms that result in the same page arrangement as the official form.

Note: Returns filed on reproduced forms may require additional handling and thus take longer to process than original forms or approved substitute forms.

Reproduced tax forms that deviate form [sic] the official forms are considered substitute forms. AIIT must review and approve these forms before you use them. See the section entitled “What are the Guidelines for Preparing Substitute Tax Forms” for more information.

E. HOW DOES THE SUBSTITUTE TAX FORMS APPROVAL PROCESS WORK?

Complete Form AR9101, Letter of Intent to Abide by the Guidelines for the Use of Substitute and Reproduced Tax Forms. Mail Form AR9101 to AIIT at the address shown on the form. Prepare your substitute tax forms in accordance with these guidelines. Submit your substitute tax forms to AIIT for review before you distribute or release them or related products to customers or clients. Substitute tax forms do not have to be sent to AIIT for review in one package. In fact, AIIT encourages you to send small groups of substitute tax forms for review. This reduces the time it takes to review the substitute tax forms and respond. Also, when submitting substitute tax forms produced from multiple printers, clearly identify the printer they are produced from. Make corrections and revisions to substitute tax forms upon notification by AIIT. Notify customers or clients of the minimum computer hardware required for use with your software that produces substitute tax forms.
F. WHAT WILL AIIT DO?

AIIT will:

- Coordinate the filing of Form AR 9101, Letter of Intent to Abide by the Guidelines for the Use of Substitute and Reproduced Tax Forms.
- Register the company identification code.
- Register the company identification code.
- Disseminate information regarding substitute tax forms design and development.
- Provide reproduction proofs of Arkansas tax Forms as they become available.

Within two weeks or receiving your substitute tax forms AIIT will:

- Review your substitute tax forms;
- Call you and discuss the results of the review including necessary corrections; and
- Mail you a letter indicating which forms are approved and which forms are disapproved. If forms are disapproved, AIIT will return your substitute tax forms with the errors noted and ask you to resubmit corrected substitute tax forms.

Note: AITT does not review or approve the logic of specific software programs or confirm the calculations entered on substitute tax forms output from software programs. The accuracy of software programs is the responsibility of the software developer, distributor or user.

G. WHAT ARE THE CONSEQUENCES OF NOT FOLLOWING THE GUIDELINES FOR THE USE OF SUBSTITUTE AND REPRODUCED TAX FORMS?

If you release forms that fail to follow the Guidelines for the Use of Substitute and Reproduced Tax Forms, AIIT:

- Will work with you to correct the errors in your substitute tax forms;
- Will require you to send proof (e.g., revised forms, excerpts from revised user’s manuals, release letters for new versions of software, etc.) that you have corrected the errors and notified your customers or clients of the corrections; and
- May notify taxpayers, if you fail to correct the problem, that refunds are delayed because your substitute tax forms were not approved by AIIT.
G. TO CONTACT AIIT REGARDING SUBSTITUTE TAX FORMS.

Mail all correspondence regarding substitute tax forms and related issues to:

Arkansas Individual Income Tax Section
Tax Forms Design Group
P O Box 3628
Little Rock, Arkansas 72203-3628
(501) 682-7224

H. EFFECTIVE DATE:

This regulation shall become effective on March 10, 1992

Executed this 18th day of February, 1992.

Jim Pledger, Director
Arkansas Department of Finance
And Administration

Tim Leathers
Commissioner of Revenues
Arkansas Department of Finance
And Administration