



Instruction for AR1100REC (Status 1/Arkansas Only)

Form AR1100REC a reconciliation of federal to Arkansas amounts for interest income, taxes deduction, and depreciation deduction. Form AR1000REC is required for C-Corporations who are status 1 – operating only in Arkansas. S-Corporations, Partnerships, LLCs, and entities who elect the Pass-Through Entity tax are not required to complete AR1100REC but may use this form as an additional statement provide the Department concerning federal/Arkansas differences. The AR1000REC is divided into three parts (A-C). Complete the relevant parts to show the reconciliation.

Line references of both Federal and Arkansas forms are provided below. Note: while the line references serve as a guide for relevant items, it may not be all inclusive. Adjust as necessary depending on the entity's tax situation.

Federal Line Reference Guide

Entity/Form Type	Interest Income	Taxes Deduction	Depreciation Deduction
C-Corporation, Form 1120	Line 5	Line 17	Line 20
Partnership, Form 1065	Schedule K, Line 5	Line 14	Line 16a/16b
S-Corporation, Form 1120-S	Schedule K, Line 4	Line 12	Line 14

Arkansas Line Reference Guide

Entity/Form Type	Interest Income	Taxes Deduction	Depreciation Deduction
C-Corporation, Form AR1100CT	Line 5	Line 17	Line 2, Line 20
Partnership, Form AR1050	Schedule K, Line 4	Line 16	Line 5, Line 19
S-Corporation, Form AR1100S	Line 11	Line 18	Line 8, Line 20
Pass-Through Entity Tax, Form AR1100PET	Schedule K, Line 4	Schedule K, Line 1	Schedule K, Lines 1,Line 11

Arkansas Section 179 Line Reference Guide

Entity/Form Type	Section 179 Expense
C-Corporation, Form AR1100CT	Line 20
Partnership, Form AR1050	Schedule K, Line 11; AR K-1, Line 13a
S-Corporation, Form AR1100S	AR K-1, Line 13a
Pass-Through Entity Tax, Form AR1100PET	Schedule K, Line 11; AR K-1, Line 13a



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Part A: INTEREST INCOME

Line 1: Enter interest income from Federal Forms.

Line 2: Add Non-Arkansas Municipal Interest Income.

Line 3: Less U.S. Obligation interest income (Attach appropriate schedule)

Line 4: Arkansas taxable interest income: Enter taxable interest income here and on Line 5, form AR1100CT.

Part B: TAXES DEDUCTION

Line 1: Enter taxes and license deduction from Federal forms.

Line 2: Add foreign taxes not included on Federal forms.

Line 3: Less Arkansas income tax: See A.C.A 26-51-416.

Line 4: Enter Arkansas deduction for taxes here, and on Line 17, AR1100CT.

Part C: DEPRECIATION DEDUCTION

Line 1: Amount of Depreciation included in Federal forms.

Line 2: Add the amount of depreciation claimed elsewhere on Federal forms. This includes: 1125-A, Schedule C, Schedule F, Schedule K, Form 4562, Form 8825 or others.

Line 3: Add Lines 1 and Line 2 above.

Line 4: Subtract the amount of Section 179 depreciation shown on Federal form 4562, Line 12.

Line 5: Subtract the amount on Federal form 4562, Line 14, "Special depreciation allowance for qualified property (Other than listed property) placed in service during the tax year."

Line 6: Subtract the amount on Federal form 4562, Line 25, "Special depreciation allowance for qualified property placed in service during the tax year and used more than 50% in qualified business use", and any other "bonus" depreciation included on Federal form 4562.

Line 7: Add Section 179 Depreciation expense allowed by the State of Arkansas.

Arkansas adopted IRC Sec. 179 as in effect January 1, 2022 for property purchased in tax years beginning on or after January 1, 2022. The provisions within P.L. 119-21 – One Big Beautiful Bill Act have not been adopted.

Current limitations (2025):

- Dollar limit on the deduction - \$1,250,000
- Limit on the amount of investment in Section 179 property - \$3,130,000

December 31, 2021, and earlier limitations:

- Dollar limit on the deduction - \$25,000
- Limit on the amount of investment in Section 179 property - \$200,000

This is a dollar-for-dollar phase out reduction to the total amount of Section 179 expense allowed for property placed in service after the specified tax year beginning date referenced exceeding the threshold amount.

Line 8: Add or subtract any depreciation adjustment that relates to basis differences due to prior or current year depreciation allowed for Arkansas.

Line 9: Total depreciation allowed by the State of Arkansas. Combine Lines 3 through 8.

Line 10: Amount of Arkansas depreciation NOT to be included on Arkansas Form AR1100CT, Page 1, Line 20. This amount should be included on Form AR1100CT, Line 2.

Line 11: Subtract Line 10 from Line 9. Net Arkansas depreciation shown here and on Arkansas form AR1100CT, page 1, Line 20, Form AR1050, page 1, Line 19, or Form AR1100S, page 1, Line 20.

Note: There may be a gain or loss adjustment, that relates to depreciable property included on Federal form 4797 or Federal Schedule D with basis difference in Arkansas due to prior year depreciation adjustments.