



STATE OF ARKANSAS
Composite Income Tax Return Instructions
AR1000CR

2017

Act 1982 of 2005 allows pass-through entities to file composite returns for nonresident members who elect to be included in the composite filing. The pass-through entity must report its distributive share of income or other gain that is passed through to the members included on this return and subject to Arkansas income tax.

NOTE: Pass-through entities include S Corporations, general partnerships, limited partnerships, limited liability partnerships, trusts, or limited liability companies. Any entity that is taxed as a corporation or is a disregarded entity for federal income tax purposes is not considered a pass-through entity.

Special Information for tax years beginning on or after January 1, 2018: Act 760 of 2017 allows nonresident Corporations to be included on the Composite Income Tax Return for tax years beginning on or after January 1, 2018.

The due date is April 15th, for calendar year entities. If the due date of your return falls on a Saturday, Sunday, or legal holiday, the return will be considered timely filed if it is postmarked on the next business day. If an extension is required, **Form AR1055-CR** should be completed and mailed by April 15, 2018. If additional tax is owed, the amount must be paid by the original due date. Attach the payment in U.S. Dollars to the completed Form **AR1055-CR** and mail to the address specified on Form **AR1055-CR**.

INSTRUCTIONS:

Each composite return must be filed in the name of the pass-through entity, and the member who signs the return is responsible for any assessments or deficiencies incurred by the return. This requirement does not relieve any of the members from their personal liability in any way.

Only those members who must file Arkansas nonresident income tax returns as a result of their interest in a pass-through entity can be included in the composite return. Members who were Arkansas residents, became Arkansas residents during the year, or who had income/losses from Arkansas sources other than from pass-through entities, must be excluded from the composite return.

NOTE: A pass-through entity cannot be included as a member on a composite return.

If filing an amended return, check the box at the top right corner of Form **AR1000CR**. Complete the return using the instructions below, replacing the incorrect entries from the original return with the corrected entries. **Attach supporting forms and/or schedules for items changed.**

Line 1. Report the total number of nonresident members of the composite return.

Line 2. Report the taxable income from doing business in Arkansas or derived from sources within this state and distributed to nonresident members electing to be included on this tax return. The amount must equal the total on Schedule A.

Line 3. Compute tax at 6.9% (.069) of the amount listed on line 2. No deductions or credits are allowed.

Line 4. Withholding paid by entity - FEIN on **AR1099PT** Form(s) must match FEIN on composite return.

(Lines 5 through 14 – Follow instructions on form.)

Your tax return will not be complete unless officer, partner, or accountant signs it. Fill in preparer section if applicable.

Schedule A: Members Share of Income. Complete all of the information requested for any members that are nonresidents included on this return.

If there are **nine (9) or less nonresident members**

- represented by the return, complete Schedule A.

If there are **more than nine (9) nonresident members** represented by the return, the information **must be submitted by CD**. The information must be in a spreadsheet format (such as Excel), a database format (such as Access) or a Delimited Text File and should contain for each member included on this return: name, address, FEIN or SSN, share of income, and tax paid.

Attach an AR1099PT Form for each nonresident member included on this return. The amount(s) reported on the **AR1099PT(s)** must equal the amount(s) reported on the **AR1000CR**. Send two copies of **AR1099PT** Form to each nonresident member and retain one copy for your records.

NOTE: Each entity claiming withholding must be registered to withhold under the FEIN on the composite return. Failure to register will result in disallowance of withholding. For information about registering, call (501) 682-7290 or go to www.dfa.arkansas.gov.

Mail the completed AR1000CR and required information to:

Individual Income Tax Section
Composite Return
P.O. Box 3628
Little Rock, Arkansas 72203-3628

For additional information on composite filing go to:

www.dfa.arkansas.gov

PAYMENT INFORMATION

Complete Form **AR1000CRV** and attach with check or money order to your return. Write your FEIN on payment, made payable in U.S. Dollars to the Department of Finance and Administration. Mail on or before April 15, 2018. If the payment is for an amended return, mark the box "Yes" on Form **AR1000CRV** for "Is Payment for an Amended Return".

Arkansas Taxpayer Access Point (ATAP) allows taxpayers or their representatives to log on to a secure site and manage all of their tax accounts online. ATAP allows taxpayers to make name and address changes, view letters on their accounts, make payments and check refund status. (Registration with ATAP is not required to make payments or check refund status.) Go to **www.atap.arkansas.gov** for more information.

Credit card payments may be made by calling **1-800-2PAY-TAX**SM (1-800-272-9829), or by visiting **www.officialpayments.com** and clicking on the "Payment Center" link.

Credit card payments will be processed by Official Payments Corporation, a private credit card payment services provider. A convenience fee will be charged to your credit card for the use of this service. **The State of Arkansas does not receive this fee.** You will be informed of the exact amount of the fee before you complete your transaction. After you complete your transaction you will be given a confirmation number to keep with your records.