

1 State of Arkansas  
2 95th General Assembly  
3 Regular Session, 2025  
4

# A Bill

SENATE BILL 503

5 By: Senator Crowell  
6 By: Representative Eaton  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS INCOME TAX WITHHOLDING  
10 ACT OF 1965; TO REDUCE THE NUMBER OF EMPLOYEES AN  
11 EMPLOYER MUST HAVE TO BE MANDATED TO FILE AN ANNUAL  
12 WITHHOLDING STATEMENT ELECTRONICALLY; TO REQUIRE THE  
13 ELECTRONIC FILING OF A WITHHOLDING RETURN FOR CERTAIN  
14 EMPLOYERS; AND FOR OTHER PURPOSES.  
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## Subtitle

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18 TO REDUCE THE NUMBER OF EMPLOYEES AN  
19 EMPLOYER MUST HAVE TO BE MANDATED TO  
20 FILE AN ANNUAL INCOME TAX WITHHOLDING  
21 STATEMENT ELECTRONICALLY; AND TO REQUIRE  
22 THE ELECTRONIC FILING OF A WITHHOLDING  
23 RETURN FOR CERTAIN EMPLOYERS.  
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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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27 SECTION 1. Arkansas Code § 26-51-908, concerning an employer's  
28 withholding return and payment of withheld taxes, is amended to add an  
29 additional subsection to read as follows:

30 (i)(1) An employer that is required to file the annual statement of  
31 withholding under § 26-51-909(b) electronically shall file the withholding  
32 return required under this section electronically.

33 (2) A company or other business enterprise that provides the  
34 service of reporting and remitting withholding tax on the wages paid to  
35 Arkansas employees by another employer for a withholding tax reporting period  
36 shall file the withholding return required under this section with the



1 secretary electronically if the other employer is required to file the annual  
2 statement of withholding under § 26-51-909(b) electronically.

3 (3) The secretary may waive the requirements of this subsection  
4 if the secretary determines, on the basis of an application by an employer,  
5 that filing the withholding return electronically would cause an undue  
6 hardship on the employer.

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8 SECTION 2. Arkansas Code § 26-51-909(b)(2)(B), concerning the annual  
9 income tax withholding statement, is amended to read as follows:

10 (B) An employer who has ~~one hundred twenty five (125)~~  
11 seventy-five (75) or more employees during the employer’s income year shall  
12 file the statement electronically.

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14 SECTION 3. EFFECTIVE DATES.

15 (a) Section 1 of this act is effective for tax years beginning on or  
16 after January 1, 2026.

17 (b) Section 2 of this act is effective for tax years beginning on or  
18 after January 1, 2025.

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21 **APPROVED: 4/14/25**  
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