



**State of Arkansas  
Department of Finance and Administration  
Amended Fiscal Impact Statement**

**Bill: SB502**

**Bill Subtitle: TO AMEND THE ARKANSAS INCOME TAX WITHHOLDING ACT OF 1965; AND TO REQUIRE THE ELECTRONIC FILING OF A FORM 1099 IN CERTAIN CIRCUMSTANCES.**

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**Sponsors:**

**Sen. Crowell and Rep. Eaton**

**Basic Change:**

SB502 requires a taxpayer that is subject to the withholding requirements of § 26-51-901 et seq to file with the Department of Finance and Administration (DFA) any Internal Revenue Service form 1099 on which the taxpayer is the payer. The taxpayer must file the 1099 by January 31 of the year after the 1099 was issued.

If a taxpayer files at least 1,000 form 1099s with DFA during its income year, the taxpayer would be required to electronically file the 1099s with DFA.

SB502 is effective for tax years beginning on or after January 1, 2026.

**Fiscal Impact:**

None.

**Taxpayer Impact:**

A taxpayer subject to withholding shall file with DFA all 1099s. If the taxpayer files 1,000 or more 1099s, the taxpayer shall file the 1099s electronically with DFA.

**Resources Required:**

None.

**Time Required:**

Adequate time is allowed for implementation.

**Procedural Changes:**

Department websites and staff training manuals will need to be updated to account for the changes.

**Other Comments:**

None.

**Legal Analysis:**

None.