

2024



ARKANSAS **FIDUCIARY** Income Tax **Instructions** **AR1002F and AR1002NR**

ATAP

Please visit our secure website ATAP (Arkansas Taxpayer Access Point) at www.atap.arkansas.gov. ATAP allows taxpayers or their representatives to log on, make payments, and manage their account online.

ATAP features include:

- Make Tax Payments
- Make Estimated Tax Payments

ATAP is available 24 hours a day.

(Registration is not required to make payments or to check refund status.)

Simple Reasons to e-file!

- ◆ Direct Debit Payments
- ◆ Filing Confirmation Provided
- ◆ Makes Complex Returns Easy
- ◆ File Federal & State Forms Together
- ◆ Secure



For your questions/comments:

Manager, Individual Income Tax
P. O. Box 3628
Little Rock, AR 72203-3628

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TAX HELP AND FORMS



Internet

You can access the Department of Finance and Administration's website at <https://www.dfa.arkansas.gov/office/taxes/income-tax-administration/fiduciary-and-estate-income-tax-forms/>

- Get current and prior year forms and instructions
- Access latest income tax info and archived news
- Get e-file information

You can e-mail questions to:

individual.income@dfa.arkansas.gov



Phone

Individual Income Tax Hotline..... (501) 682-1100
or (800) 882-9275

Representatives are available to assist callers at the numbers above during normal business hours (Monday through Friday from 8:00 a.m. to 4:30 p.m.) with:

- Taxpayer Assistance
- Notices Received
- Forms
- Amended Returns
- Audit and Examination
- Payment Information

For hearing-impaired access, call (800) 285-1131 using a Text Telephone Device (for Spanish, call (866) 656-1842).

Other useful phone numbers:

Tax Credits..... (501) 682-7106
Withholding Tax (501) 682-7290
Collections (501) 682-5000
Revenue Legal Counsel (501) 682-7030
Corporate Income Tax (501) 682-4775
Sales and Use Tax..... (501) 682-7104
Problem Resolution and (501) 682-7751
Tax Information Office (Offers In Compromise)

Internal Revenue Service (800) 829-1040
Social Security Administration (800) 772-1213



Forms

To obtain forms and instructions you may:

1. Access our website at:
<https://www.dfa.arkansas.gov/office/taxes/income-tax-administration/fiduciary-and-estate-income-tax-forms/>
2. Call the Individual Income Tax Hotline
(501) 682-1100 or (800) 882-9275

ATAP

Arkansas Taxpayer Access Point (ATAP) allows taxpayers or their representatives to log on to a secure website and manage their account online.

Access ATAP at www.atap.arkansas.gov to:

- Make payments

(Registration is not required to make payments or to check refund status.)



Address

Choose the appropriate address below to mail your return:

Physical:

Arkansas State Income Tax
1816 W 7th Street, Room 2300
Little Rock, AR 72201

Mailing:

TAX DUE RETURN:

Arkansas State Income Tax
P.O. Box 2144
Little Rock, AR 72203-2144

REFUND RETURN:

Arkansas State Income Tax
P.O. Box 1000
Little Rock, AR 72203-1000

NO TAX DUE/REFUND RETURN:

Arkansas State Income Tax
P.O. Box 2144
Little Rock, AR 72203-2144

Be sure to apply sufficient postage or your return will not be delivered by the U.S. Postal Service.

GENERAL INSTRUCTIONS

WHO MUST FILE

The fiduciary return is used to report the income of an estate or trust. Every fiduciary, or at least one of the joint fiduciaries, must file a return for the estate or trust for which they act, provided **any** of the following apply:

1. Any **income** is currently distributable;
2. The **tax** is payable by the beneficiaries or by the grantor;
3. The net income is **\$3,000** or over **and/or**
4. Any beneficiary is a **nonresident**.

WHEN TO FILE

The due date is April 15th for calendar-year filers. Fiscal-year filers must file on or before the fifteenth (15th) day of the fourth (4th) month following the close of the fiscal year.

EXTENSION OF TIME TO FILE

If you request an extension of time to file your federal fiduciary tax return (with federal Form 7004) you can receive the same extension on your state return plus 1 (one) month. If you do not file a federal extension, you can request a 210-day Arkansas extension using Form AR1055-FE before the filing date of April 15th (for calendar year filers). Send Form AR1055-FE to:

Individual Income Tax Section
ATTN: Extension
P.O. Box 8149
Little Rock, AR 72203-8149

Note: To receive credit for your federal or state extension, when you file your Arkansas return you must check the box on the face of the return indicating you filed an extension.

INTEREST AND PENALTIES

Interest will be charged on taxes not paid by their due date, even if an extension of time to file is granted. The law also provides a late filing penalty and a failure to pay penalty.

UNDERPAYMENT OF ESTIMATED TAX (FORM AR2210)

You may have to pay a penalty if your net tax, line 26B AR1002F/line 26F AR1002NR, is more than \$1,000 and you did not file a Declaration of Estimated Tax required by Arkansas tax code **or** you did not pay adequate installments on your estimated tax. See instructions for line 38A and B for more information.

NOTE: Arkansas has adopted IRC section 179 in its entirety as in effect on January 1, 2022.

Arkansas

Fiduciary Income Tax Return Instructions (AR1002F & AR1002NR)

If you file a **fiscal year return**, fill in the fiscal year at the top of the form. The moment of death determines the end of the decedent's tax year and the beginning of the estate's tax year.

The Federal Employer Identification Number (FEIN) must be entered in the space provided at the top right side of the form and must be the complete number. FEIN's with asterisks (*) or X's in place of a portion of the number may result in the delay of the processing of the return or rejection. A separate FEIN is required for each estate or trust.

Note: *Social Security Number cannot be used.*

Fill in the exact **name** of the estate or trust, name and title of fiduciary or trustee, the **address**, and the **date the trust was created**. Check the appropriate box for "**Type of Entity**." Indicate whether you are filing an **Original Return**, an **Amended Return**, or a **Final Return**. A final return will have the state close the Entity's account permanently.

Note: *The name of the estate or trust must be used and not that of a person.*

INCOME

Note: *Do not include income and deductions from the ESBT portion of a trust on lines 1 through 19 (if applicable). A separate schedule must be attached to show the ESBT tax computations. See instructions for lines 26A and 26E.*

Line 1. Enter total taxable interest income received or credited to the estate or trust's account. **Attach Form AR4-FID** showing all interest income and identify any nontaxable interest.

Line 2. Enter the total of all taxable dividends. **Attach Form AR4-FID.**

Line 3. Enter net profit (or loss) from a trade or business. **Attach federal schedule.**

Line 4. If you have gains or losses from the sale of real estate, stocks, bonds, or gains or losses from capital assets from partnerships, S corporations or fiduciaries, complete Schedule A on P3 and enter total here. **Attach federal Schedule D.**

Complete Schedule A on P3 if you have a NET CAPITAL GAIN OR LOSS reported on federal Schedule D, federal Form 1041. **The amount of capital loss that can be deducted after offsetting capital gains is limited to \$3,000.**

Arkansas did not adopt the federal "bonus depreciation" provision from previous years. Therefore, the depreciation allowed in the federal and Arkansas amounts may differ. Adjust your gains and losses for differences in depreciation, if any, between the federal and Arkansas amounts using lines 2, 5, and 11 from Schedule A.

Line 5. Enter net rent and royalty income, the estate's or trust's share of profits from a partnership, and income from another estate or trust (whether received or not). **Do not** include Pass-Through Entity income. **Attach federal Schedule E.**

Line 6. Enter net profit (or loss) from farming. **Attach federal Schedule F.**

Line 7. Enter the total amount of all Pass-Through Entity income received by the trust. **Attach K-1s.**

Line 8. Enter taxable income not reported elsewhere. **Attach statement identifying the source.**

Line 9. Add lines 1 through 8 and enter total.

DEDUCTIONS

Line 10. Enter any taxes paid during the tax year that are not deducted elsewhere. **DO NOT** include assessments for local benefit of a kind tending to increase the value of the property assessed. **DO NOT** include federal or Arkansas taxes, nor taxes imposed upon the estate or trust on its corporation which are paid by the estate or trust. **Attach a schedule detailing all taxes.**

Line 11. Enter any interest paid that is not deducted elsewhere. **DO NOT** include interest on capital invested in or advanced to the business by the estate or trust.

Line 12. Enter amount paid or permanently set aside during the year for charitable organizations. AR has adopted IRC 664(c) concerning charitable remainder trust; Income not distributed to beneficiaries will be reported on line 12 to be exempt.

Line 13. Enter deductible attorney, accountant, return preparer, or fiduciary fees paid or incurred by the fiduciary for administering the estate or trust during the year.

Line 14: Enter the total amount of Pass-Through Entity income received by the trust. **Attach K-1s.**

Line 15. Enter any other authorized deductions allowed by Arkansas law. Include on this line: bad debts, casualty losses, and involuntary conversion of property not used in a trade or business. **Attach a detailed schedule listing all deductions by type and amount.**

Line 16. Add lines 10 through 15 and enter the total.

Line 17. Subtract line 16 from line 9 and enter the difference.

Line 18. Enter the total amount of income or loss to be distributed to all beneficiaries during the year.

Line 19. Subtract line 18 from line 17 and enter the difference.

Line 20. Do not adjust this amount.

Line 21. Subtract line 20 from line 19 (column B for AR1002F, column A for AR1002NR) and enter the difference.

Line 22. Compute tax on the amount on line 21, column B if you are using Form AR1002F. Compute tax on the amount on line 21, column A, if you are using Form AR1002NR. Use the "Regular Tax Table" and enter the amount here. **If less than zero (0), enter zero (0).**

Line 23. Do not adjust this amount.

Line 24. Enter the total allowable credits from line 3 of the AR-1002TC. **Attach AR1002-TC and supporting documents.**

Line 25. Add lines 23 and 24. Enter the total. If less than zero (0), please enter zero (0). **Do not enter a negative number.**

Line 26. Subtract line 25 from line 22 and enter the difference.

Line 26A. (AR1002F ONLY) Enter the net tax from the S portion of the ESBT (if applicable). A schedule must be attached to the return showing the ESBT tax computations that includes the following:

- Income (interest, dividends, gains or losses, trade or business income, etc.)
- Deductions (taxes, contributions, fees, etc.)
- Taxable Income
- Net Tax

Line 26B. (AR1002F ONLY) Add lines 26 and 26A. Enter the total.

If using Form AR1002F, skip this section and go to the instructions for line 25.

TAX APPORTIONMENT (AR1002NR ONLY)

The instructions for lines 26A through 26D are for use with Form AR1002NR only.

Line 26A. Enter amount from line 19 column B.

Line 26B. Enter amount from line 19 column A.

Line 26C. Divide amount on line 26A by amount on line 26B to arrive at the Arkansas percentage. **Round to six decimal places and do not exceed 100%.**

Line 26D. Multiply amount on line 26 by percentage on line 26C and enter total.

Line 26E. Enter the apportioned net tax from the S portion of the ESBT (if applicable). A schedule must be attached to the return showing the ESBT tax computations (see instructions for line 26A). Include apportionment calculations to show the Arkansas apportioned tax from the ESBT.

Line 26F. Add lines 26D and 26E. Enter the total.

TAX AND PAYMENTS

Line 27. Enter Arkansas withholding. **Attach Form(s) AR1099PT, 1099R and/or AR K-1.**

Line 28. Enter the estimated tax paid.

Line 29. Enter the amount paid with extension.

Line 30. Enter payments made with or after the filing of the original return. (Amended returns only)

Line 31. Add lines 27 through 30 and enter the total.

Line 32. Enter the total of all overpayments/refunds/carry forwards received from previously filed returns. (Amended returns only)

Line 33. Subtract line 32 from line 31 and enter the difference.

Line 34. If line 33 is larger than line 26B of AR1002F or line 26F of AR1002NR, enter the difference.

Line 35. Enter the amount of your refund you want to be carried forward. The overpayment from your 2024 AR1002F or AR1002NR will be applied to your 2025 estimated account.

Line 36. Subtract line 35 from line 34. This is the amount to be refunded to you.

Line 37. If line 26B of AR1002F or line 26F of AR1002NR is larger than line 33, enter the difference. This is the amount of tax due.

Line 38A and 38B. Enter the exception number from Part 1 of Form AR2210, or the computed penalty from line 17 of AR2210 in the appropriate box. If you completed Form AR2210A, enter "6" in box 38A. Enter the amount from line 46 of AR2210A in box 38B. Attach Form AR2210 or AR2210A.

Line 38C. Add lines 37 and 38B. Enter total on this line.

FOR A TRUST WITH AN OWNERSHIP INTEREST IN AN ENTITY SUBJECT TO PET TAX

If a trust has an ownership interest in a business entity subject to a pass-through entity or PET tax in Arkansas or other states, the income from the entity should be reported on line 7. The income subject to Arkansas PET or other states pass-through entity taxes should then be removed on line 14, unless guaranteed payments from a partnership are included in the income from the entity subject to PET tax.

PAYMENT INFORMATION

PAY ONLINE:

Paying online is convenient, secure, and helps make sure we get your payments on time. Please visit our secure website ATAP (Arkansas Taxpayer Access Point) at www.atap.arkansas.gov. ATAP allows taxpayers or their representatives to log on, make payments, and manage their account online.

Additional ATAP features include:

- ATAP is available 24 hours a day.

PAY BY CREDIT CARD:

Credit card payments may be made by one of the following methods:

- Call 1-800-2PAY-TAX (1-800-272-9829)
- Go to www.acipayonline.com and click on "State Payments" link

Credit card payments will be processed by ACI Payments Inc, 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.

PAY BY MAIL:

Attach check or money order with completed Form AR1002V and mail with return. Write your Federal Identification Number on the check or money order, and make your check payable in U.S. dollars to the Department of Finance and Administration. Mail on or before the return due date. If the payment is for an amended return, mark the box yes on Form AR1002V for "Is payment for an Amended Return."

SCHEDULE B INSTRUCTIONS

INCOME DISTRIBUTION

Beneficiaries' share of income must be listed in this section. Include all information requested. If additional space is needed attach a separate schedule. Any income properly paid, credited, and/or distributable to a beneficiary is taxable to the beneficiary.

Resident beneficiaries must include distributions from any estate or trust in their total Arkansas income to determine if an AR1000F should be filed.

Nonresident beneficiaries who have distributions from an Arkansas estate or trust must file an Arkansas Individual Income Tax Return (AR1000NR) that reports total income received from Arkansas sources regardless of the amount of distribution.

NOTE: A completed AR K-1FE for each beneficiary of the estate or trust is required to be attached to this return.