

State of Arkansas
90th General Assembly
Regular Session, 2015

As Engrossed: H2/25/15, S3/12/15

A Bill

HOUSE BILL 1406

By: Representative Bentley

For An Act To Be Entitled

AN ACT TO ALLOW THE SECRETARY OF STATE TO SETTLE
CERTAIN CORPORATE FRANCHISE TAX DISPUTES; AND FOR
OTHER PURPOSES.

Subtitle

TO ALLOW THE SECRETARY OF STATE TO SETTLE
CERTAIN CORPORATE FRANCHISE TAX DISPUTES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-54-107(c), concerning the computation of corporate franchise taxes by the Secretary of State, is amended to read as follows:

~~(c)(1) A corporation may seek relief from any proposed assessment of taxes pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq.~~ The Secretary of State or his or her designee may agree to settle or compromise a dispute concerning interest or penalties associated with corporate franchise taxes if the taxpayer:

(1) Disputes the proposed amount; or

~~(2) This method shall be the exclusive method for seeking relief~~
Is insolvent or bankrupt.

SECTION 2. Arkansas Code § 26-54-107, concerning the computation of franchise taxes, penalties, and relief by the Secretary of State, is amended to add additional subsections to read as follows:

(d)(1) The Secretary of State may waive any accrued interest or assessed penalties imposed on a taxpayer due to a failure to remit corporate



franchise taxes under § 26-54-105(c), if:

(A) The taxpayer is reasonably mistaken about the application of this chapter or the computation of the franchise tax to the corporation; or

(B) A taxpayer cannot pay the accrued interest or assessed penalties because of the taxpayer's insolvency or bankruptcy.

(2) The Secretary of State may waive any fees that a taxpayer owes if the taxpayer desires to dissolve the corporation.

(e) If the parties cannot resolve the dispute, the parties may pursue any other remedy available to them, including but not limited to remedies available under the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(f) The Secretary of State shall develop guidelines to assist a taxpayer in resolving a corporate franchise tax dispute.

/s/Bentley

APPROVED: 03/31/2015