

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1908

By: Representative M. Gray

For An Act To Be Entitled

AN ACT TO CLARIFY THE STATUTE OF LIMITATIONS FOR A TAXPAYER TO FILE AN AMENDED TAX RETURN; TO CLARIFY THE CIRCUMSTANCES UNDER WHICH A TAXPAYER MAY FILE AN AMENDED TAX RETURN; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE STATUTE OF LIMITATIONS FOR A TAXPAYER TO FILE AN AMENDED TAX RETURN; AND TO CLARIFY THE CIRCUMSTANCES UNDER WHICH A TAXPAYER MAY FILE AN AMENDED TAX RETURN.

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

SECTION 1. Arkansas Code § 26-18-306(i)(1), concerning time limitations for assessments, collection, refunds, and prosecution, is amended to read as follows:

(i)(1)(A) An amended return ~~or verified claim for credit or refund of an overpayment of a state tax~~ shall be filed by the taxpayer within three (3) years from the time the return was filed or two (2) years from the time the tax was paid, whichever of the periods expires later.

(B) The limitations periods stated in subdivision (i)(1)(A) of this section apply regardless of whether the amended return would reduce a taxpayer's tax liability, entitle the taxpayer to a refund of an overpayment of a state tax, amend the taxpayer's filing status, or amend the taxpayer's return for any other purpose.

(C) Subdivision (i)(1)(A) of this section does not apply:



to

(i) To a tax paid as a result of an audit or proposed assessment; or

(ii)(a) If the amount of taxable income or taxable estate for a taxpayer for a year, as returned to the United States Department of the Treasury, is changed and corrected by the Commissioner of Internal Revenue or an officer of the United States Government of competent authority.

(b) Subsection (b) of this section applies in circumstances described in subdivision (i)(1)(C)(ii)(a) of this section.

~~(C)(i)(D)(i)~~ If a taxpayer is subject to an audit, then the taxpayer may file an amended return or verified claim for credit or refund of an overpayment of a state tax that occurred at any time during the time period for which the audit is performed.

(ii) However, the total refund of overpayments for the extended audit period shall not be more than the total amount assessed for the extended audit period.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2019.

APPROVED: 4/10/19