

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1756

Bill Subtitle: TO ALLOW A TAXPAYER TO APPEAL A FINAL DETERMINATION OR ASSESSMENT OF STATE TAXES BY PAYING A BOND EQUAL TO A PORTION OF THE DELINQUENT TAXES DUE.

Basic Change : Sponsor: Rep. Dotson

HB1756 amends the Arkansas Tax Procedure Act concerning requirements a taxpayer must satisfy before filing a lawsuit to challenge a tax assessment. Current law provides various avenues for a taxpayer to challenge a tax assessment. One of those avenues is to file a bond in double the amount of the tax deficiency and file their lawsuit within 30 days of filing that bond. HB1756 reduces the bond requirement to 25% of the tax deficiency. HB1756 also provides for an additional 10% penalty against the taxpayer if the court finds that there was no merit in the taxpayer's suit.

Revenue Impact :

None

Taxpayer Impact :

The bonding requirement to challenge a lawsuit is reduced.

Resources Required :

None

Time Required :

Adequate time provided.

Procedural Changes :

None

Legal Analysis :

This reduced bond requirement may make it more difficult to collect a tax assessment if the court upholds the assessment.