Department of Finance and Administration

Legislative Impact Statement

Bill: HB1041
Bill Subtitle: TO AUTHORIZE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO WAIVE THE CERTIFICATE OF INDEBTEDNESS FILING FEES IN CERTAIN CIRCUMSTANCES.

Basic Change :

Sponsor: Rep. Jett

Under § 26-18-705(b), the Department of Finance and Administration (DFA) is authorized to waive interest or penalty in the following circumstances:

- If the taxpayer's failure to pay the tax is satisfactorily explained to the secretary;

- If the failure results from a mistake by the taxpayer of either the law or the facts subjecting him or her to such tax; or

- If the inability to pay the interest or penalty results from the insolvency or bankruptcy of the taxpayer.

HB1041 amends § 26-18-705(b) to authorize DFA waive filing fees incurred for filing of certificate of indebtedness or state tax lien under the same circumstances authorized for a waiver of interest or penalty.

Revenue Impact :

It is undetermined the amount of state tax lien filing fees that may be waived due to this proposed change.

Taxpayer Impact :

DFA would be authorized a state tax lien filing fee assessed against a taxpayer in certain circumstances.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

DFA employees will need to be educated.

Other Comments :

None.

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Legal Analysis :

Current Arkansas law does not explicitly authorize DFA to waive a lien filing fee charged by a circuit clerk. HB1041 is intended to authorize the waiver of lien filing fees when a waiver of tax, interest, and penalty is determined to be appropriate. The lien filing fees have already been paid to the circuit clerks.

The bill does not contain an effective date.