

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

SENATE BILL 1035

By: Senator K. Ingram
By: Representative Ferguson

For An Act To Be Entitled

AN ACT TO PERMIT CITIES WITH AN ADVERTISING AND PROMOTION TAX TO SHARE THE COST OF AN AUDIT; TO REQUIRE THAT CERTAIN RECORDS BE PROVIDED TO A JOINT AUDITOR; AND FOR OTHER PURPOSES.

Subtitle

TO PERMIT CITIES WITH AN ADVERTISING AND PROMOTION TAX TO SHARE THE COST OF AN AUDIT; AND TO REQUIRE THAT CERTAIN RECORDS BE PROVIDED TO A JOINT AUDITOR.

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

SECTION 1. Arkansas Code § 26-18-303(b) is amended to add an additional subdivision to read as follows:

(25)(A) Disclosure of information in the books of the Department of Finance and Administration concerning a taxpayer by the Department of Finance and Administration to a joint auditor employed under the authority of § 26-75-619 when the joint auditor requests the information.

(B) Information received by the joint auditor under subdivision (b)(25)(A) of this section shall remain confidential and is not subject to disclosure except in accordance with this section.

SECTION 2. Arkansas Code Title 26, Chapter 75, Subchapter 6, is amended to add an additional section to read as follows:

26-75-619. Authority to perform joint audits.



(a) As used in this section:

(1) "City" means a city of the first class, city of the second class, or incorporated town in this state;

(2) "Joint audit" means an audit that is performed by a joint auditor to examine the records of one (1) or more taxpayers and that is necessary to determine the accuracy of a return or to establish the liability of the taxpayer to pay the tax levied by an ordinance of a city under § 26-75-602; and

(3) "Joint auditor" means a person with the necessary experience or training to assume the primary responsibility to conduct a joint audit according to an agreement between the cities;

(4) "Records" means:

(A) The books, records, papers, vouchers, accounts, documents, and relevant property or stock of merchandise of the taxpayer that are in the possession of the taxpayer or of a third party that concern the tax levied under § 26-75-602; or

(B) Tax information from the books and records of the Department of Finance and Administration concerning a taxpayer that is necessary to the performance of a joint audit of a taxpayer and is requested by a joint auditor; and

(5) "Taxpayer" means a person subject to or liable for the tax levied by an ordinance of a city under § 26-75-602.

(b)(1) Two (2) or more cities that have levied a tax and have adopted an ordinance under the authority of § 26-75-603 may agree to a joint audit in order to reduce the expenditure of time and resources necessary to perform the audit.

(2) The ordinance shall enable the advertising and promotion commission of the levying city to enforce the tax through examination of records.

(c) The cities that participate in the joint audit may enter into a joint agreement to employ a joint auditor and to provide any assistance required to the joint auditor in the performance of the joint audit.

(d) At a reasonable time, the joint auditor shall be granted access to examine records permitted by a city ordinance under § 26-75-603 and this section.