

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

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S3/12/13
A Bill

SENATE BILL 825

By: Senators U. Lindsey, Files, D. Johnson, S. Flowers, J. Woods, D. Wyatt, J. Hutchinson, K. Ingram, R. Thompson, B. Sample, Elliott, E. Cheatham, *Bookout, L. Chesterfield*
By: Representatives D. Douglas, Broadaway, Holcomb, Copenhaver, E. Armstrong, Magie, D. Whitaker, C. Armstrong, Hodges, *Hillman, Scott, J. Edwards, H. Wilkins, Love, Wardlaw, McGill, Word, T. Thompson, Catlett, Williams, Sabin, Nickels, Walker, Lowery*

For An Act To Be Entitled

AN ACT CONCERNING REPORTS FOR SALES AND USE TAXES;
AND FOR OTHER PURPOSES.

Subtitle

CONCERNING REPORTS FOR SALES AND USE
TAXES.

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

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

(25) Disclosure of the following information from sales and use tax reports:

(A)(i) The Department of Finance and Administration shall prepare a quarterly report listing all businesses remitting sales and use taxes for counties and municipalities.

(ii) The chief executive officer of a county or municipality, or his or her designee, may request this report from the Department of Finance and Administration.

(iii) The Department of Finance and Administration shall provide the report within thirty (30) calendar days following the initial request and following the end of the calendar quarter for subsequent



reports;

(B)(i) Upon registration in the manner established by the Department of Finance and Administration, beginning with local taxes distributed to the local taxing entity in January 2014, the Department of Finance and Administration shall provide an additional monthly report to cities and counties that have an unelected employee or official designated as finance director, controller, or other similar title with responsibility to manage the financial affairs of the city or county, explaining the source and composition of the requesting city or county's tax collections that can be used to monitor local sales tax collections and trends.

(ii) The Department of Finance and Administration shall make the requested information available to the finance director or other employee or official:

(a) Not later than thirty (30) calendar days following the most recent monthly tax distribution; and

(b) By dedicated online account in usable electronic format.

(iii) The information provided in the report described in subdivision (b)(25)(A) may be combined and included along with the information described in this subdivision (b)(25)(B).

(iv) The report shall include the following information for the most recent month of tax collections for the requesting city or county:

(a) A schedule or schedules of separate amounts for net sales and use tax collections, rebates, and other adjustments with totals for each taxpaying or collecting entity identified by account identification number, North American Industry Classification System code, business name, and reporting address;

(b) The amount of sales and use tax collected related to motor vehicles;

(c) The amounts of excise taxes associated with vending machines, decals, and other activity included in local tax distributions with separate amounts identified for each category of tax;

(d) The combined totals of tax collections per the schedules listed in this subdivision (b)(25)(B)(iv), plus totals for any other collection source or deduction for any month, that equal the related

total tax transferred by the Department of Finance and Administration to the Treasurer of State for a local taxing jurisdiction for that particular month before any allocations, deductions, or adjustments made by the Treasurer of State; and

(e) A schedule of total collections grouped by North American Industry Classification System code category that equal the total reflected on the schedule described in subdivision (B)(25)(B)(iv)(d).

(C) Cities and counties not eligible to receive the monthly report under subdivision (b)(25)(B) shall receive the schedule described in subdivision (B)(25)(B)(iv)(e) after registration in a manner established by the Department of Finance and Administration. The report shall be available to those described in subdivision (b)(25)(A) and is not limited to finance directors or other similar employees or officials. Supplemental information shall also be provided by the Department of Finance and Administration that includes a total for each category of factors affecting monthly receipts related to prior periods and collections, including without limitation tax rebates, refunds, and additional tax payments;

(D) Upon request, the Department of Finance and Administration shall also provide to supplement the reports under subdivisions (b)(25)(B) and (C):

(i) Additional information related to prior period audit adjustments, refund and rebate claims, amended returns, or other adjustments that affect current period distributions; and

(ii) Information identifying the original period of tax activity and the reason for the prior period adjustment; and

(E)(i) The release of information described and authorized by subdivision (b)(25)(B) shall require a written agreement by the local government that specific taxpayer information remain confidential.

(ii) Specific taxpayer information received by a local government under subdivision (b)(25)(B) shall remain confidential and not subject to disclosure except in accordance with this section.

(iii) Any specific taxpayer information that is provided to a local government is not subject to the provisions of the Freedom of Information Act of 1967, § 25-19-101 et seq.

(iv) The Department of Finance and Administration

shall not release actual tax returns, forms, or reports submitted or used in the process of tax administration.

SECTION 2. Arkansas Code 26-73-115 is amended to read as follows:

26-73-115. Sales and use tax reports.

~~(a) Upon a request made in accordance with this section~~ by a county or municipality, the Department of Finance and Administration shall provide ~~a report~~ the reports listing all businesses remitting sales and use taxes for the requesting governmental entity and other information related to the source and composition of tax collections as provided under § 26-18-303(b)(25).

~~(b) In order to obtain a report from the department, no more than quarterly, the chief executive officer of a county, city, or town may request a report from the department on the information noted in subsection (a) of this section.~~

~~(c) The department shall provide the requested information within thirty (30) calendar days of the request.~~

/s/U. Lindsey