

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

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

HOUSE BILL 1756

By: Representatives Dotson, Bell

## For An Act To Be Entitled

AN ACT TO AMEND THE LAWS CONCERNING THE JUDICIAL RELIEF AVAILABLE FROM THE FINAL DETERMINATION OR ASSESSMENT OF STATE TAXES; 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; AND FOR OTHER PURPOSES.

## 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.

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

SECTION 1. Arkansas Code § 26-18-406(a), concerning the judicial relief available for disputes of state tax assessments and determinations, is amended to read as follows:

(a) After the issuance and service on the taxpayer of the final assessment of a deficiency in tax that is not protested by the taxpayer under § 26-18-403 or a final determination of the hearing officer or the director under § 26-18-405, a taxpayer may seek judicial relief from the final determination or assessment by:

(1)(A) Paying the entire amount of state tax due for any taxable period or periods covered by the final assessment within one (1) year of the date of the final assessment and filing suit to recover that amount within one (1) year of the date of payment.



(B) The director may proceed with collection activities including the filing of a certificate of indebtedness as authorized under § 26-18-701 within thirty (30) days of the issuance of the final assessment for any assessed but unpaid state taxes, penalties, or interest owed by the taxpayer for other taxable periods covered by the final assessment while the suit for refund is being pursued by the taxpayer for other taxable periods covered by the final assessment;

(2)(A) Filing with the director a bond in ~~double~~ the amount of twenty-five percent (25%) of the tax deficiency due within thirty (30) days of the issuance and service on the taxpayer of the final assessment and by filing suit within thirty (30) days thereafter to stay the effect of the director's determination.

(B) The bond shall be subject to the conditions that the taxpayer shall:

(i) File suit within thirty (30) days after filing the bond;

(ii) Faithfully and diligently prosecute the suit to a final determination; and

(iii) Pay any deficiency found by the court to be due and pay any court cost assessed against him or her.

(C) A taxpayer's failure to file suit, diligently prosecute the suit, or pay any tax deficiency and court costs, as required by subdivision (a)(2)(B) of this section, shall result in the forfeiture of the bond in the amount of the assessment and assessed court costs.

(D) If the court finds that there was no merit in the taxpayer's suit under this subdivision (a)(2), then the taxpayer shall pay a penalty of ten percent (10%) of the tax deficiency due in addition to the unpaid state taxes, penalties, and interest already owed by the taxpayer; or

(3) Filing suit to recover assessed tax, penalty, and interest paid ~~prior to~~ before the time for issuance of the final assessment within one (1) year of the date of the final determination of the hearing officer or the director under § 26-18-405.