

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 1040

By: Senator B. Sample
By: Representative Bragg

For An Act To Be Entitled

AN ACT TO AMEND THE LAW CONCERNING THE INTEREST RATES
APPLICABLE TO STATE TAX DEFICIENCIES AND
OVERPAYMENTS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE INTEREST RATES APPLICABLE TO
STATE TAX DEFICIENCIES AND OVERPAYMENTS.

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

SECTION 1. Arkansas Code § 26-18-508 is amended to read as follows:
26-18-508. Interest on deficiencies and overpayments.

(a) Interest shall be collected on tax deficiencies and paid on
overpayments as follows:

(1)(A) A tax levied under ~~any~~ state tax law ~~which~~ that is not
paid when due is delinquent.

(B) Interest ~~at the rate of ten percent (10%) per annum~~
shall be collected on the total tax deficiency from the date the return for
the tax was due to be filed until the date of payment at the rate stated in
subsection (b) of this section;

(2)(A) Interest on a tax deficiency shall be assessed at the
same time as the tax deficiency.

(B) The tax deficiency together with the interest shall be
paid upon notice and demand by the director;

(3) When ~~any~~ an overpayment has been made by a taxpayer, the
overpayment shall be refunded together with interest at the rate ~~of ten~~



~~percent (10%) per annum stated in subsection (b) of this section;~~

(4) Interest on ~~overpayments~~ an overpayment shall be paid from the date the return for the tax was due to be filed or the date the return is filed, whichever occurs later, until a date, to be determined by the director, preceding the date of the refund warrant by not more than thirty (30) days, whether or not the warrant is accepted by the taxpayer; and

(5) ~~No interest~~ Interest shall not be allowed on an overpayment of tax that is refunded by the director within ninety (90) days after the last date provided for filing the return for the tax including any extension of time for filing the return, or ninety (90) days after the date the return is filed, whichever occurs later; ~~and.~~

~~(6)(A) In lieu of the amount of interest otherwise provided by this section, when an election to defer the payment of estate tax is made pursuant to the provisions of § 26-59-113(e), then the amount of interest on the deferred portion of the estate tax qualifying for the election shall be at the rate of four percent (4%) per annum on the balance of the payments due under the installment deferral election.~~

~~(B) However, the four percent (4%) interest rate shall only apply to the "4 percent portion" as that term is defined in 26 U.S.C. § 6601(j)(2), as it existed on January 1, 1989.~~

~~(C) The interest rate on the estate tax exceeding the "4 percent portion" shall be at the rate specified in subdivision (1) of this section.~~

(b) The interest rate for deficiencies and overpayments is as follows:

(1) Until December 31, 2015, ten percent (10%) per annum; and

(2) Beginning January 1, 2016, six percent (6%) per annum.