

State of Arkansas
91st General Assembly
Regular Session, 2017

A Bill

HOUSE BILL 1565

By: Representative Jett

For An Act To Be Entitled

AN ACT TO REGULATE GROSS RECEIPTS TAX PERMITS; TO AMEND THE LAW CONCERNING THE ISSUANCE AND EXPIRATION OF GROSS RECEIPTS TAX PERMITS AND THE COLLECTION OF UNPAID TAXES UPON DISCONTINUATION OF BUSINESS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW CONCERNING THE ISSUANCE AND EXPIRATION OF GROSS RECEIPTS TAX PERMITS AND THE COLLECTION OF UNPAID TAXES UPON DISCONTINUATION OF BUSINESS.

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

SECTION 1. Arkansas Code § 26-52-206 and 26-52-207 are amended to read as follows:

26-52-206. Expiration.

(a) All permits A permit issued under ~~the provisions of~~ this chapter shall ~~expire at the time of cessation of business at the place or location of the business within this state~~ automatically expires if one (1) or more of the following conditions occur:

(1) Business operations cease at the place or location for which the permit was issued;

(2) Ownership of the business issued the permit changes; or

(3) A business closure order becomes final under § 26-18-1001 et seq. for the business issued the permit.

(b) Section 26-18-601 does not apply to permits that automatically



expire under this section.

26-52-207. Discontinuance of business – Unpaid taxes.

(a)(1)(A) ~~Any~~ A taxpayer operating under a permit as provided in this subchapter, upon discontinuance of business by sale or otherwise, shall return the permit to the Director of the Department of Finance and Administration for cancellation together with a remittance of any unpaid or accrued taxes.

~~(2)~~ (B) Failure to surrender a permit and pay any and all accrued taxes ~~shall be~~ is sufficient cause for the director to refuse the issuance of ~~any~~ a permit in the future to the taxpayer to engage in or transact any other business in this state.

~~(3)~~ (C) ~~In the case of a sale of any business, the tax shall be deemed to be due at the time of the sale of the fixtures and equipment incident to the business and shall~~ Unpaid tax due at the time of discontinuance of business shall constitute a lien against the stock and the fixtures and equipment in the hands of the taxpayer, a purchaser thereof of the stock or fixtures and equipment, or both, or any other third party until the tax is paid.

~~(b)~~ (2) The director shall not issue a permit to continue or conduct the business to ~~the~~ a purchaser of the business or any other third party until all tax claims due in the State of Arkansas under this section have been settled and paid.

(b)(1) The director shall not issue a permit to a person who is substantially connected to a business that owes past due taxes until the past due taxes have been paid.

(2) As used in this subsection:

(A) "Past due tax" means a state tax administered by the director that is not paid when due after completion of all administrative and judicial remedies provided by law; and

(B) "Substantially connected" means a person who owned and operated a business that incurred past due taxes or a person who served as a partner, officer, or director of a partnership, corporation, or limited liability company that incurred past due taxes.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the

first day of the calendar quarter following the effective date of this act.