

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1037

By: Representative Jett

For An Act To Be Entitled

AN ACT TO AUTHORIZE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO REQUIRE A BOND FOR A TAXPAYER THAT OWES DELINQUENT SALES AND USE TAX; TO AUTHORIZE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO DISCLOSE DELINQUENT SALES AND USE TAX INFORMATION TO BONDING COMPANIES; AND FOR OTHER PURPOSES.

Subtitle

TO AUTHORIZE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO REQUIRE A BOND FOR A TAXPAYER THAT OWES DELINQUENT SALES AND USE TAX AND TO DISCLOSE DELINQUENT SALES AND USE TAX INFORMATION TO BONDING COMPANIES.

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

SECTION 1. Arkansas Code § 26-52-203 is amended to read as follows:

26-52-203. Fee deposit or bond required - Deposit, bond, or surety required for delinquent taxpayers.

(a) The Secretary of the Department of Finance and Administration shall require prior to the issuance of any new Arkansas gross receipts tax permit the payment of a nonrefundable fee of fifty dollars (\$50.00), which shall be remitted with each new application for a permit.

(b) ~~All persons~~ A person doing a retail business in this state, which business is subject to the provisions of this chapter, ~~who do~~ that does not



have a permanent domicile in this state, shall make a sufficient cash deposit or sufficient bond with the secretary to cover ~~their~~ its annual sales tax before doing business in this state or before receiving a permit to do business in this state as provided in § 26-52-201.

(c) If a taxpayer owes delinquent tax under this chapter or under the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., the secretary may:

(1) Require the delinquent taxpayer to post a cash deposit, bond, or security that is equal to the greater of:

(A) One hundred thousand dollars (\$100,000); or

(B) Four (4) times the amount of the taxpayer's average monthly tax liability;

(2) Require that a cash deposit, bond, or security required under subdivision (c)(1) of this section remain in place until the taxpayer has demonstrated regular compliance with this chapter and the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.; and

(3) Notwithstanding the restrictions stated in § 26-18-303, disclose information concerning a taxpayer's delinquent taxes under this chapter or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., to the bonding company that provides a surety bond under subdivision (c)(1) of this section.

(d) All revenues derived from the fees imposed by this section shall be deposited into the State Treasury as nonrevenue receipts credited to the State Central Services Fund for use by the Revenue Division of the Department of Finance and Administration.

(e) The secretary may promulgate rules to implement this section.