

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1044

By: Representative Jett

For An Act To Be Entitled

AN ACT TO AUTHORIZE THE ESTIMATED ASSESSMENT OF TAX
IF A TAXPAYER FAILS OR REFUSES TO PROVIDE RECORDS; TO
AMEND THE LAW CONCERNING THE REQUIREMENT TO KEEP AND
PRESERVE TAX RECORDS; AND FOR OTHER PURPOSES.

Subtitle

TO AUTHORIZE THE ESTIMATED ASSESSMENT OF
TAX IF A TAXPAYER FAILS OR REFUSES TO
PROVIDE RECORDS.

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

SECTION 1. Arkansas Code § 26-18-506(d), concerning the preservation of tax records by taxpayers, is amended to read as follows:

~~(d)(1) When a taxpayer fails to preserve and maintain the records required by any state tax law, the~~ The secretary may, ~~in his or her discretion,~~ make an estimated assessment based upon information available to him or her ~~as to the amount of tax due by the taxpayer~~ when a taxpayer:

(A) Fails to keep and preserve the records required to be kept and preserved under this section; or

(B) Refuses to provide the records required to be kept and preserved under this section:

(i) Upon request by the secretary; or

(ii) In response to a court order compelling the production of records required to be kept and preserved under this section.

(2)(A) The burden of proof of in refuting this an estimated assessment made under subdivision (d)(1) of this section is upon the



taxpayer.

(B)(i) The burden of proof to refute an estimated assessment made in response to a taxpayer's refusal to provide records under subdivision (d)(1)(B) of this section shall not be met solely by the taxpayer's providing the records the taxpayer initially refused to provide.

(ii) Any records provided to refute an estimated assessment after a refusal to provide records under subdivision (d)(1)(B) of this section may be used to determine the actual amount of tax due or to prove the accuracy of any return.