

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

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

SENATE BILL 695

By: Senator A. Clark

For An Act To Be Entitled

AN ACT TO AMEND THE LAW GOVERNING THE TYPE AND MANNER OF NOTICE OF A PROPOSED ASSESSMENT THAT MUST BE GIVEN TO A TAXPAYER; TO DEFINE "SERVICE OF NOTICE" FOR PURPOSES OF A PROPOSED ASSESSMENT; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW GOVERNING THE TYPE AND MANNER OF NOTICE OF A PROPOSED ASSESSMENT THAT MUST BE GIVEN TO A TAXPAYER.

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

SECTION 1. Arkansas Code § 26-18-307(a), concerning the general notice that must be provided to an individual taxpayer regarding certain matters, is amended to read as follows:

(a)(1) The Secretary of the Department of Finance and Administration shall give a taxpayer notice of any assessment, demand, decision, or hearing before the secretary ~~which~~ that directly involves that taxpayer.

(2)(A) Except as provided under § 26-18-404(c), ~~All~~ all notices required to be given by the secretary to a taxpayer shall be either served by personal service or sent by regular mail to the taxpayer's last address on record with the particular tax section of the Revenue Division of the Department of Finance and Administration in question.

(B) Except as provided under § 26-18-404(c), ~~Service~~ service of the notice by mail is presumptively complete upon mailing, and the secretary may take any action permitted by any state tax law.



(3) All notices of final assessment under § 26-18-401 shall be sent by regular mail.

SECTION 2. Arkansas Code § 26-18-403(a)(2)(B), as amended by Acts 2021, No. 593, concerning the notice that the Department of Finance and Administration must issue when it proposes an assessment to a taxpayer who has failed to file a return or who has underpaid the tax owed, is amended to read as follows:

(B) The notice required under subdivision (a)(2)(A) of this section shall:

(i) Explain the basis for the proposed assessment, and show all the calculations used to arrive at the proposed assessment;

(ii)(a) State that a final assessment, as provided by § 26-18-401, will be made if the taxpayer does not protest the proposed assessment as provided by § 26-18-404 or file a petition under the Independent Tax Appeals Commission Act, § 28-18-1101 et seq., as applicable.

(b) The taxpayer does not have to protest the proposed assessment to later be entitled to exercise the right to seek a judicial review of the assessment under § 26-18-406; and

~~(iii) Provide contact information for the taxpayer to use if the taxpayer wants to obtain his or her tax records, including without limitation the facts and evidence supporting the proposed assessment, from the Department of Finance and Administration~~ Include all documents, facts, and evidence used to arrive at the proposed assessment.

SECTION 3. Arkansas Code § 26-18-404(c), concerning the period of time a taxpayer has to protest a proposed assessment or a denial of a refund claim after having received service of the notice, is amended to add an additional subdivision to read as follows:

(3) For a proposed assessment or a refund denial that is at least five thousand dollars (\$5,000), the service of notice shall be sent to the taxpayer by registered mail and the time for filing a written protest under this subsection shall begin on the day the taxpayer:

(A) Signed for the registered mail; or

(B) Refused the registered mail.