

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

State of Arkansas  
95th General Assembly  
Regular Session, 2025

# A Bill

HOUSE BILL 1904

By: Representative Lundstrum

By: Senator J. Petty

## For An Act To Be Entitled

AN ACT TO AMEND THE PENALTIES IMPOSED FOR FAILURE TO COMPLY WITH THE ARKANSAS TAX PROCEDURE ACT; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE PENALTIES IMPOSED FOR FAILURE TO COMPLY WITH THE ARKANSAS TAX PROCEDURE ACT.

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

SECTION 1. Arkansas Code § 26-18-208(1)–(3), concerning additional penalties for failure to comply with the Arkansas Tax Procedure Act, are amended to read as follows:

(1) In the case of a taxpayer's failure to file any return required by any state tax law on or before the date prescribed determined with regard to any extension of time for filing the return, unless it is shown that the failure is due to reasonable cause and not to willful neglect, there shall be added to the amount required to be shown as tax on the return five percent (5%) of the amount of the tax if the failure is not more than one (1) month, with an additional five percent (5%) for each additional month or fraction of a month during which the failure continues, not to exceed ~~thirty five percent (35%)~~ ten percent (10%) in the aggregate;

(2)(A) In case of a failure to pay the amount shown as tax on any return required to be filed under any state tax law, except an individual income tax return, on or before the date prescribed for payment of the tax, unless it is shown that the failure to pay is due to reasonable cause and not



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to willful neglect, there shall be added to the amount shown as tax on the return five percent (5%) of the amount of the tax if the failure is for not more than one (1) month, with an additional five percent (5%) for each additional month or fraction of a month during which the failure continues, not to exceed ~~thirty five percent (35%)~~ ten percent (10%) in the aggregate.

(B) In case of failure to pay the amount shown as tax on any individual income tax return required to be filed, on or before the date prescribed for payment of the tax, unless it is shown that the failure to pay is due to reasonable cause and not to willful neglect, there shall be added to the amount shown as tax on the return one percent (1%) of the amount of the tax if the failure is for not more than one (1) month, with an additional one percent (1%) for each additional month or fraction of a month during which the failure continues, not to exceed ~~thirty five percent (35%)~~ ten percent (10%) in the aggregate;

(3)(A)(i) If any penalty is assessed under subdivision (1) of this section, then no penalty shall be assessed under subdivision (2)(A) of this section.

(ii) If any penalty is assessed under subdivision (2)(A) of this section, then no penalty shall be assessed under subdivision (1) of this section;

(B) With respect to any individual income tax return, the amount of the addition under subdivision (1) of this section shall be increased by the amount of the addition under subdivision (2)(B) of this section for any month or fraction of a month to which an addition to tax applies under both subdivisions (1) and (2)(B) of this section, not to exceed ~~thirty five percent (35%)~~ ten percent (10%) in the aggregate;