1 State of Arkansas **A BillACT 815 OF 1991** 2 **78th General Assembly** SENATE BILL 616 3 **Regular Session**, 1991 By: Senators Canada, Scott, Gibson, 4 Yates, Cassady, and Fitch 5 6 For An Act To Be Entitled 7 "AN ACT TO AMEND ARKANSAS CODE SECTIONS 26-18-208(2) AND 8 9 26-18-208(3) TO CHANGE THE FAILURE TO PAY PENALTY FOR INDIVIDUAL INCOME TAX RETURN FILERS; AND FOR OTHER 10 11 PURPOSES." 12 13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS: 14 15 SECTION 1. Arkansas Code 26-18-208(2) is hereby amended to read as 16 follows: "(2)(A) In case of a failure to pay the amount shown as tax on any 17 18 return required to be filed under any state tax law, except an individual 19 income tax return, on or before the date prescribed for payment of the tax, 20 unless it is shown that the failure to pay is due to reasonable cause and not 21 to wilful neglect, there shall be added to the amount shown as tax on the 22 return five percent (5%) of the amount of the tax if the failure is for not 23 more than one (1) month, with an additional five percent (5%) for each 24 additional month, or fraction thereof, during which the failure continues, not 25 to exceed thirty-five percent (35%) in the aggregate; 26 (B) In case of failure to pay the amount shown as tax on any 27 individual income tax return required to be filed, on or before the date 28 prescribed for payment of the tax, unless it is shown that the failure to pay 29 is due to reasonable cause and not to wilful neglect, there shall be added to 30 the amount shown as tax on the return one percent (1%) of the amount of the 31 tax if the failure is for not more than one (1) month, with an additional one 32 percent (1%) for each additional month, or fraction thereof, during which the 33 failure continues, not to exceed thirty-five percent (35%) in the aggregate." 34 SECTION 2. Arkansas Code 26-18-208(3) is hereby amended to read as 35 36 follows:

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1 "(3)(A) If any penalty is assessed under subdivision (1) of this 2 section, then no penalty shall be assessed under subdivision (2)(A). If any 3 penalty is assessed under subdivision (2)(A) of this section, then no penalty 4 shall be assessed under subdivision (1); (B) With respect to any individual income tax return, the amount 5 6 of the addition under subdivision (1) of this section shall be increased by 7 the amount of the addition under subdivision (2)(B) of this section for any 8 month (or fraction thereof) to which an addition to tax applies under both 9 subdivision (1) and (2)(B), not to exceed thirty-five percent (35%) in the 10 aggregate." 11 SECTION 3. The provisions of this act shall be in full force and effect 12 13 for all income years beginning on and after January 1, 1991. 14 15 SECTION 4. All provisions of this act of a general and permanent nature 16 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code 17 Revision Commission shall incorporate the same in the Code. 18 19 SECTION 5. If any provision of this act or the application thereof to 20 any person or circumstance is held invalid, such invalidity shall not affect 21 other provisions or applications of the act which can be given effect without 22 the invalid provision or application, and to this end the provisions of this 23 act are declared to be severable. 24 25 SECTION 6. All laws and parts of laws in conflict with this act are 26 hereby repealed. 27 28 /s/Canada et al 29 30 APPROVED: 3/26/91 31 32

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