

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1929

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5 By: Representative Sample
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For An Act To Be Entitled

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9 AN ACT TO ASSESS TREBLE DAMAGES AGAINST AN
10 EMPLOYER WHO PAYS AN EMPLOYEE AND FAILS TO DEDUCT
11 AND WITHHOLD ANY AMOUNT OF THE EMPLOYEE'S WAGES;
12 AND FOR OTHER PURPOSES.
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Subtitle

14
15 TO ASSESS TREBLE DAMAGES AGAINST AN
16 EMPLOYER WHO PAYS AN EMPLOYEE AND FAILS
17 TO DEDUCT AND WITHHOLD ANY AMOUNT OF THE
18 EMPLOYEE'S WAGES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 26-51-916, concerning the Arkansas Income
24 Withholding Act, is amended to add an additional subsection to read as
25 follows:

26 (a)(1) Every employer shall be liable for amounts required to be
27 deducted and withheld by this subchapter regardless of whether or not the
28 amounts were in fact deducted and withheld.

29 (2) ~~However, if~~ In the event the employer fails to deduct and
30 withhold the required amounts and if the tax against which the required
31 amounts would have been credited is paid, the employer ~~shall not be~~ is not
32 liable for those amounts not deducted and withheld if the failure was due to
33 reasonable cause.

34 (b) An employer who pays an employee in cash and fails to deduct and
35 withhold any amount of the employee's wages during the income year as
36 required under this subchapter shall be subject to a civil penalty of three



1 (3) times the amount of the employee's wages that the employer was required
2 to have deducted and withheld.

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4 SECTION 2. This act is effective for tax years beginning on and after
5 January 1, 2009.

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