

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4
5 By: Representative Jett

A Bill

HOUSE BILL 1565

For An Act To Be Entitled

8 AN ACT TO REGULATE GROSS RECEIPTS TAX PERMITS; TO
9 AMEND THE LAW CONCERNING THE ISSUANCE AND EXPIRATION
10 OF GROSS RECEIPTS TAX PERMITS AND THE COLLECTION OF
11 UNPAID TAXES UPON DISCONTINUATION OF BUSINESS; AND
12 FOR OTHER PURPOSES.

Subtitle

16 TO AMEND THE LAW CONCERNING THE ISSUANCE
17 AND EXPIRATION OF GROSS RECEIPTS TAX
18 PERMITS AND THE COLLECTION OF UNPAID
19 TAXES UPON DISCONTINUATION OF BUSINESS.

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

24 SECTION 1. Arkansas Code § 26-52-206 and 26-52-207 are amended to read
25 as follows:

26 26-52-206. Expiration.

27 (a) All permits A permit issued under ~~the provisions of~~ this chapter
28 ~~shall expire at the time of cessation of business at the place or location of~~
29 ~~the business within this state~~ automatically expires if one (1) or more of
30 the following conditions occur:

31 (1) Business operations cease at the place or location for which
32 the permit was issued;

33 (2) Ownership of the business issued the permit changes; or

34 (3) A business closure order becomes final under § 26-18-1001 et
35 seq. for the business issued the permit.

36 (b) Section 26-18-601 does not apply to permits that automatically



1 expire under this section.

2
3 26-52-207. Discontinuance of business – Unpaid taxes.

4 (a)(1)(A) ~~Any~~ A taxpayer operating under a permit as provided in this
5 subchapter, upon discontinuance of business by sale or otherwise, shall
6 return the permit to the Director of the Department of Finance and
7 Administration for cancellation together with a remittance of any unpaid or
8 accrued taxes.

9 ~~(2) (B)~~ Failure to surrender a permit and pay any and all
10 accrued taxes ~~shall be~~ is sufficient cause for the director to refuse the
11 issuance of ~~any~~ a permit in the future to the taxpayer to engage in or
12 transact any other business in this state.

13 ~~(3) (C)~~ ~~In the case of a sale of any business, the tax~~
14 ~~shall be deemed to be due at the time of the sale of the fixtures and~~
15 ~~equipment incident to the business and shall~~ Unpaid tax due at the time of
16 discontinuance of business shall constitute a lien against the stock and the
17 fixtures and equipment in the hands of the taxpayer, a purchaser thereof of
18 the stock or fixtures and equipment, or both, or any other third party until
19 the tax is paid.

20 ~~(b) (2)~~ The director shall not issue a permit to continue or
21 conduct the business to ~~the~~ a purchaser of the business or any other third
22 party until all tax claims due in the State of Arkansas under this section
23 have been settled and paid.

24 (b)(1) The director shall not issue a permit to a person who is
25 substantially connected to a business that owes past due taxes until the past
26 due taxes have been paid.

27 (2) As used in this subsection:

28 (A) "Past due tax" means a state tax administered by the
29 director that is not paid when due after completion of all administrative and
30 judicial remedies provided by law; and

31 (B) "Substantially connected" means a person who owned and
32 operated a business that incurred past due taxes or a person who served as a
33 partner, officer, or director of a partnership, corporation, or limited
34 liability company that incurred past due taxes.

35
36 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective on the

1 first day of the calendar quarter following the effective date of this act.

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35
- 36