

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1680**

**Bill Subtitle: TO CLARIFY THE ABILITY OF THE DIRECTOR OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO CANCEL OR REFUSE TO ISSUE, EXTEND, OR REINSTATE A LICENSE, PERMIT, OR REGISTRATION UNDER STATE TAX LAW.**

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**Basic Change :**

**Sponsor: Representative Jett**

HB1680 would amend the Arkansas Tax Procedure Act, § 26-18-101 et seq., to provide that the existing authority for DFA to cancel or refuse to issue a license, permit, or registration would apply to those applicants or registrants who have failed to comply with state law concerning the timely reporting and payment of a state tax, penalties or interest. The proposal would be effective beginning on January 1, 2018.

**Revenue Impact :**

None.

**Taxpayer Impact :**

None.

**Resources Required :**

None.

**Time Required :**

None.

**Procedural Changes :**

None.

**Other Comments :**

None.

**Legal Analysis :**

HB1680 clarifies that the Director of the Department of Finance and Administration may require reporting and payment of all taxes administered by him prior to issuing a sales tax permit, withdrawing an intent to revoke a sales tax permit, or reinstating a sales tax permit. Currently, Arkansas law authorizes the director to revoke or refuse to issue or reinstate licenses, permits, and registrations issued by the director when there is a failure to pay taxes administered by the director. Previously, this law has been interpreted to apply only to a failure to pay the tax type for which a license, permit, or registration was issued. This has resulted in the director's inability to require payment of all delinquent taxes, such as income and withholding taxes, prior to issuing a sales tax permit, withdrawing an intent to revoke a sales tax permit, or refusing to reinstate a sales tax permit. This bill will help clarify that the Department has the authority to enforce payment of all taxes it administers.