

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1868

Amendment Number: H1

Bill Subtitle: TO REQUIRE DISCLOSURE OF CERTAIN SALES AND USE TAX DATA TO CERTAIN POLITICAL SUBDIVISIONS; AND TO MAINTAIN THE CONFIDENTIALITY OF THE DATA WHEN RECEIVED BY A POLITICAL SUBDIVISION.

Basic Change :

Sponsor: Rep. Haak and Sen. Hill

House Amendment No. 1 --- HB1868-H1 allows a city or county to request a report of sales and use tax revenues in their city or county from the Department of Finance and Administration (DFA) at any time. The report must contain:

- The total number of sales tax permit holders that remitted sales or use tax in the city or county;
- The amount of tax revenue generated, sorted by the NAICS four-digit codes; and
- The total number of sales tax permit holders for each NAICS four-digit code.

Both the request and the delivery of the report must be made electronically, and any city or county requesting a report must register for an account with the Arkansas Taxpayer Access Point (ATAP) or its successor portal. DFA is not authorized to discuss the report with the requesting city or county or a third party.

HB1868-H1 provides that the act is effective on and after January 1, 2022.

Original Bill --- HB1868 amends the confidentiality provisions of § 26-18-303(b) to allow disclosure to a political subdivision of all data related to sales and use tax revenues generated within the boundaries of the political subdivision.

HB1868 provides that the Department of Finance and Administration (DFA) shall make the data available within 30 days of a request made by a political subdivision. HB1868 further provides that a political subdivision may only request data on sales and use tax revenue generated within the boundaries of the political subdivision. Any data received remains confidential and is exempt from the Freedom of Information Act.

Revenue Impact :

None.

Taxpayer Impact :

A city or county would be able to request a report of sales and use tax revenues collected for their city or county. The report would be requested and received electronically.

Resources Required :

None.

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1868

Amendment Number: H1

Bill Subtitle: TO REQUIRE DISCLOSURE OF CERTAIN SALES AND USE TAX DATA TO CERTAIN POLITICAL SUBDIVISIONS; AND TO MAINTAIN THE CONFIDENTIALITY OF THE DATA WHEN RECEIVED BY A POLITICAL SUBDIVISION.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Updates to the Sales and Use Tax Rules will need to be promulgated. Computer programming will be required.

Other Comments :

None.

Legal Analysis :

None.