

1 INTERIM STUDY PROPOSAL 2013-016

2 State of Arkansas

*As Engrossed: S3/12/13*

3 89th General Assembly

# A Bill

4 Regular Session, 2013

SENATE BILL 825

5  
6 By: Senators U. Lindsey, Files, D. Johnson, S. Flowers, J. Woods, D. Wyatt, J. Hutchinson, K. Ingram, R.  
7 Thompson, B. Sample, Elliott, E. Cheatham, *Bookout, L. Chesterfield*

8 By: Representatives D. Douglas, Broadaway, Holcomb, Copenhaver, E. Armstrong, Magie, D. Whitaker,  
9 C. Armstrong, Hodges, *Hillman, Scott, J. Edwards, H. Wilkins, Love, Wardlaw, McGill, Word, T.*  
10 *Thompson, Catlett, Williams, Sabin, Nickels, Walker, Lowery*

11 Filed with: Interim Senate Committee on Revenue and Taxation  
12 pursuant to A.C.A. §10-3-217.

## For An Act To Be Entitled

13 AN ACT CONCERNING REPORTS FOR SALES AND USE TAXES;  
14 AND FOR OTHER PURPOSES.  
15

### Subtitle

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18 CONCERNING REPORTS FOR SALES AND USE  
19 TAXES.  
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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25 SECTION 1. Arkansas Code § 26-18-303(b), concerning privileged and  
26 confidential records, is amended to add an additional subdivision to read as  
27 follows:

28 (25) Disclosure of the following information from sales and use  
29 tax reports:

30 (A)(i) The Department of Finance and Administration shall  
31 prepare a quarterly report listing all businesses remitting sales and use  
32 taxes for counties and municipalities.

33 (ii) The chief executive officer of a county or  
34 municipality, or his or her designee, may request this report from the  
35 Department of Finance and Administration.

1                   (iii) The Department of Finance and Administration  
2 shall provide the report within thirty (30) calendar days following the  
3 initial request and following the end of the calendar quarter for subsequent  
4 reports;

5                   (B)(i) Upon registration in the manner established by the  
6 Department of Finance and Administration, beginning with local taxes  
7 distributed to the local taxing entity in January 2014, the Department of  
8 Finance and Administration shall provide an additional monthly report to  
9 cities and counties that have an unelected employee or official designated as  
10 finance director, controller, or other similar title with responsibility to  
11 manage the financial affairs of the city or county, explaining the source and  
12 composition of the requesting city or county's tax collections that can be  
13 used to monitor local sales tax collections and trends.

14                   (ii) The Department of Finance and Administration  
15 shall make the requested information available to the finance director or  
16 other employee or official:

17                                 (a) Not later than thirty (30) calendar days  
18 following the most recent monthly tax distribution; and

19                                 (b) By dedicated online account in usable  
20 electronic format.

21                   (iii) The information provided in the report  
22 described in subdivision (b)(25)(A) may be combined and included along with  
23 the information described in this subdivision (b)(25)(B).

24                   (iv) The report shall include the following  
25 information for the most recent month of tax collections for the requesting  
26 city or county:

27                                 (a) A schedule or schedules of separate  
28 amounts for net sales and use tax collections, rebates, and other adjustments  
29 with totals for each taxpaying or collecting entity identified by account  
30 identification number, North American Industry Classification System code,  
31 business name, and reporting address;

32                                 (b) The amount of sales and use tax collected  
33 related to motor vehicles;

34                                 (c) The amounts of excise taxes associated  
35 with vending machines, decals, and other activity included in local tax  
36 distributions with separate amounts identified for each category of tax;

1                   (d) The combined totals of tax collections per  
2 the schedules listed in this subdivision (b)(25)(B)(iv), plus totals for any  
3 other collection source or deduction for any month, that equal the related  
4 total tax transferred by the Department of Finance and Administration to the  
5 Treasurer of State for a local taxing jurisdiction for that particular month  
6 before any allocations, deductions, or adjustments made by the Treasurer of  
7 State; and

8                   (e) A schedule of total collections grouped by  
9 North American Industry Classification System code category that equal the  
10 total reflected on the schedule described in subdivision (B)(25)(B)(iv)(d).

11                   (C) Cities and counties not eligible to receive the  
12 monthly report under subdivision (b)(25)(B) shall receive the schedule  
13 described in subdivision (B)(25)(B)(iv)(e) after registration in a manner  
14 established by the Department of Finance and Administration. The report  
15 shall be available to those described in subdivision (b)(25)(A) and is not  
16 limited to finance directors or other similar employees or officials.  
17 Supplemental information shall also be provided by the Department of Finance  
18 and Administration that includes a total for each category of factors  
19 affecting monthly receipts related to prior periods and collections,  
20 including without limitation tax rebates, refunds, and additional tax  
21 payments;

22                   (D) Upon request, the Department of Finance and  
23 Administration shall also provide to supplement the reports under  
24 subdivisions (b)(25)(B) and (C):

25                   (i) Additional information related to prior period  
26 audit adjustments, refund and rebate claims, amended returns, or other  
27 adjustments that affect current period distributions; and

28                   (ii) Information identifying the original period of  
29 tax activity and the reason for the prior period adjustment; and

30                   (E)(i) The release of information described and authorized  
31 by subdivision (b)(25)(B) shall require a written agreement by the local  
32 government that specific taxpayer information remain confidential.

33                   (ii) Specific taxpayer information received by a  
34 local government under subdivision (b)(25)(B) shall remain confidential and  
35 not subject to disclosure except in accordance with this section.

