

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1037**

**Bill Subtitle: TO AUTHORIZE THE SECRETARY OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO REQUIRE A BOND FOR A TAXPAYER THAT OWES DELINQUENT SALES AND USE TAX AND TO DISCLOSE DELINQUENT SALES AND USE TAX INFORMATION TO BONDING COMPANIES.**

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### **Basic Change :**

**Sponsor: Rep. Jett**

HB1037 would amend existing Arkansas law to provide the Department of Finance and Administration (DFA) the ability to require a taxpayer that owes delinquent sales or use tax to post a cash deposit, bond, or security which will remain in place until the taxpayer demonstrates regular compliance. If the taxpayer posts a bond, the bill authorizes DFA to disclose information about the taxpayer's delinquent tax account to the company providing the surety bond.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

A business with a delinquent sales or use tax debt may be required to post a cash deposit, bond, or security until the taxpayer demonstrates regular compliance.

### **Resources Required :**

None.

### **Time Required :**

Adequate time is provided for implementation.

### **Procedural Changes :**

Updates to the sales and use tax rules will need to be promulgated.

### **Other Comments :**

None.

### **Legal Analysis :**

HB1037 provides that DFA may promulgate rules to implement this legislative change.