

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

SENATE BILL 1035

5 By: Senator K. Ingram
6 By: Representative Ferguson
7

For An Act To Be Entitled

9 AN ACT TO PERMIT CITIES WITH AN ADVERTISING AND
10 PROMOTION TAX TO SHARE THE COST OF AN AUDIT; TO
11 REQUIRE THAT CERTAIN RECORDS BE PROVIDED TO A JOINT
12 AUDITOR; AND FOR OTHER PURPOSES.
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Subtitle

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15 TO PERMIT CITIES WITH AN ADVERTISING AND
16 PROMOTION TAX TO SHARE THE COST OF AN
17 AUDIT; AND TO REQUIRE THAT CERTAIN
18 RECORDS BE PROVIDED TO A JOINT AUDITOR.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-18-303(b) is amended to add an
25 additional subdivision to read as follows:

26 (25)(A) Disclosure of information in the books of the Department
27 of Finance and Administration concerning a taxpayer by the Department of
28 Finance and Administration to a joint auditor employed under the authority of
29 § 26-75-619 when the joint auditor requests the information.

30 (B) Information received by the joint auditor under
31 subdivision (b)(25)(A) of this section shall remain confidential and is not
32 subject to disclosure except in accordance with this section.
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34 SECTION 2. Arkansas Code Title 26, Chapter 75, Subchapter 6, is
35 amended to add an additional section to read as follows:

36 26-75-619. Authority to perform joint audits.



1 (a) As used in this section:

2 (1) "City" means a city of the first class, city of the second
3 class, or incorporated town in this state;

4 (2) "Joint audit" means an audit that is performed by a joint
5 auditor to examine the records of one (1) or more taxpayers and that is
6 necessary to determine the accuracy of a return or to establish the liability
7 of the taxpayer to pay the tax levied by an ordinance of a city under § 26-
8 75-602; and

9 (3) "Joint auditor" means a person with the necessary experience
10 or training to assume the primary responsibility to conduct a joint audit
11 according to an agreement between the cities;

12 (4) "Records" means:

13 (A) The books, records, papers, vouchers, accounts,
14 documents, and relevant property or stock of merchandise of the taxpayer that
15 are in the possession of the taxpayer or of a third party that concern the
16 tax levied under § 26-75-602; or

17 (B) Tax information from the books and records of the
18 Department of Finance and Administration concerning a taxpayer that is
19 necessary to the performance of a joint audit of a taxpayer and is requested
20 by a joint auditor; and

21 (5) "Taxpayer" means a person subject to or liable for the tax
22 levied by an ordinance of a city under § 26-75-602.

23 (b)(1) Two (2) or more cities that have levied a tax and have adopted
24 an ordinance under the authority of § 26-75-603 may agree to a joint audit in
25 order to reduce the expenditure of time and resources necessary to perform
26 the audit.

27 (2) The ordinance shall enable the advertising and promotion
28 commission of the levying city to enforce the tax through examination of
29 records.

30 (c) The cities that participate in the joint audit may enter into a
31 joint agreement to employ a joint auditor and to provide any assistance
32 required to the joint auditor in the performance of the joint audit.

33 (d) At a reasonable time, the joint auditor shall be granted access to
34 examine records permitted by a city ordinance under § 26-75-603 and this
35 section.

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