

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

As Engrossed: H2/25/15 S3/12/15

A Bill

HOUSE BILL 1406

5 By: Representative Bentley
6

For An Act To Be Entitled

8 AN ACT TO ALLOW THE SECRETARY OF STATE TO SETTLE
9 CERTAIN CORPORATE FRANCHISE TAX DISPUTES; AND FOR
10 OTHER PURPOSES.
11

Subtitle

14 TO ALLOW THE SECRETARY OF STATE TO SETTLE
15 CERTAIN CORPORATE FRANCHISE TAX DISPUTES.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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20 SECTION 1. Arkansas Code § 26-54-107(c), concerning the computation of
21 corporate franchise taxes by the Secretary of State, is amended to read as
22 follows:

23 ~~(c)(1) A corporation may seek relief from any proposed assessment of~~
24 ~~taxes pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et~~
25 ~~seq.~~ The Secretary of State or his or her designee may agree to settle or
26 compromise a dispute concerning interest or penalties associated with
27 corporate franchise taxes if the taxpayer:

28 (1) Disputes the proposed amount; or

29 ~~(2) This method shall be the exclusive method for seeking relief~~
30 Is insolvent or bankrupt.
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32 SECTION 2. Arkansas Code § 26-54-107, concerning the computation of
33 franchise taxes, penalties, and relief by the Secretary of State, is amended
34 to add additional subsections to read as follows:

35 (d)(1) The Secretary of State may waive any accrued interest or
36 assessed penalties imposed on a taxpayer due to a failure to remit corporate



1 franchise taxes under § 26-54-105(c), if:

2 (A) The taxpayer is reasonably mistaken about the
3 application of this chapter or the computation of the franchise tax to the
4 corporation; or

5 (B) A taxpayer cannot pay the accrued interest or assessed
6 penalties because of the taxpayer's insolvency or bankruptcy.

7 (2) The Secretary of State may waive any fees that a taxpayer
8 owes if the taxpayer desires to dissolve the corporation.

9 (e) If the parties cannot resolve the dispute, the parties may pursue
10 any other remedy available to them, including but not limited to remedies
11 available under the Arkansas Administrative Procedure Act, § 25-15-201 et
12 seq.

13 (f) The Secretary of State shall develop guidelines to assist a
14 taxpayer in resolving a corporate franchise tax dispute.

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16 /s/Bentley
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