

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

# A Bill

HOUSE BILL 1756

5 By: Representatives Dotson, Bell  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE LAWS CONCERNING THE JUDICIAL  
9 RELIEF AVAILABLE FROM THE FINAL DETERMINATION OR  
10 ASSESSMENT OF STATE TAXES; TO ALLOW A TAXPAYER TO  
11 APPEAL A FINAL DETERMINATION OR ASSESSMENT OF STATE  
12 TAXES BY PAYING A BOND EQUAL TO A PORTION OF THE  
13 DELINQUENT TAXES DUE; AND FOR OTHER PURPOSES.  
14

## Subtitle

15  
16 TO ALLOW A TAXPAYER TO APPEAL A FINAL  
17 DETERMINATION OR ASSESSMENT OF STATE  
18 TAXES BY PAYING A BOND EQUAL TO A PORTION  
19 OF THE DELINQUENT TAXES DUE.  
20  
21  
22

23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
24

25 SECTION 1. Arkansas Code § 26-18-406(a), concerning the judicial  
26 relief available for disputes of state tax assessments and determinations, is  
27 amended to read as follows:

28 (a) After the issuance and service on the taxpayer of the final  
29 assessment of a deficiency in tax that is not protested by the taxpayer under  
30 § 26-18-403 or a final determination of the hearing officer or the director  
31 under § 26-18-405, a taxpayer may seek judicial relief from the final  
32 determination or assessment by:

33 (1)(A) Paying the entire amount of state tax due for any taxable  
34 period or periods covered by the final assessment within one (1) year of the  
35 date of the final assessment and filing suit to recover that amount within  
36 one (1) year of the date of payment.



1 (B) The director may proceed with collection activities  
 2 including the filing of a certificate of indebtedness as authorized under §  
 3 26-18-701 within thirty (30) days of the issuance of the final assessment for  
 4 any assessed but unpaid state taxes, penalties, or interest owed by the  
 5 taxpayer for other taxable periods covered by the final assessment while the  
 6 suit for refund is being pursued by the taxpayer for other taxable periods  
 7 covered by the final assessment;

8 (2)(A) Filing with the director a bond in ~~double~~ the amount of  
 9 twenty-five percent (25%) of the tax deficiency due within thirty (30) days  
 10 of the issuance and service on the taxpayer of the final assessment and by  
 11 filing suit within thirty (30) days thereafter to stay the effect of the  
 12 director's determination.

13 (B) The bond shall be subject to the conditions that the  
 14 taxpayer shall:

15 (i) File suit within thirty (30) days after filing  
 16 the bond;

17 (ii) Faithfully and diligently prosecute the suit to  
 18 a final determination; and

19 (iii) Pay any deficiency found by the court to be  
 20 due and pay any court cost assessed against him or her.

21 (C) A taxpayer's failure to file suit, diligently  
 22 prosecute the suit, or pay any tax deficiency and court costs, as required by  
 23 subdivision (a)(2)(B) of this section, shall result in the forfeiture of the  
 24 bond in the amount of the assessment and assessed court costs.

25 (D) If the court finds that there was no merit in the  
 26 taxpayer's suit under this subdivision (a)(2), then the taxpayer shall pay a  
 27 penalty of ten percent (10%) of the tax deficiency due in addition to the  
 28 unpaid state taxes, penalties, and interest already owed by the taxpayer; or

29 (3) Filing suit to recover assessed tax, penalty, and interest  
 30 paid ~~prior to~~ before the time for issuance of the final assessment within one  
 31 (1) year of the date of the final determination of the hearing officer or the  
 32 director under § 26-18-405.

33  
 34  
 35  
 36