

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1722

5 By: Representative M. Gray
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For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW CONCERNING TAX COLLECTION AND
9 ENFORCEMENT WITH RESPECT TO TAXPAYERS WHO FILE FOR
10 BANKRUPTCY; TO TOLL THE STATUTE OF LIMITATIONS FOR
11 TAX COLLECTION IN THE EVENT OF A BANKRUPTCY FILING;
12 TO PROVIDE THAT CERTIFICATES OF INDEBTEDNESS RELATE
13 BACK TO THE DATE OF A TAX ASSESSMENT AND MAY BE
14 REISSUED IN THE EVENT OF A BANKRUPTCY FILING; AND FOR
15 OTHER PURPOSES.
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Subtitle

18 TO TOLL THE STATUTE OF LIMITATIONS FOR
19 TAX COLLECTION IN THE EVENT OF A
20 BANKRUPTCY FILING; AND TO PROVIDE THAT
21 CERTIFICATES OF INDEBTEDNESS RELATE BACK
22 TO THE DATE OF A TAX ASSESSMENT.
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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 26-18-306(h), concerning the time
29 limitations for tax assessments, collection, refunds, and prosecution, is
30 amended to read as follows:

31 (h)(1) ~~When~~ Except as otherwise provided in this chapter, when the
32 assessment of any tax imposed by any state law has been made within the
33 period of limitation properly applicable to the assessment, the tax may be
34 collected by levy or proceeding in court, but only if the levy is made or the
35 proceeding is begun within ten (10) years after the date of the assessment of
36 the tax.



1 (2) A bankruptcy filing by a taxpayer tolls the ten-year
 2 collection period stated in subdivision (h)(1) of this section until one
 3 hundred eighty (180) days after the termination of the taxpayer's bankruptcy
 4 case.

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 6 SECTION 2. Arkansas Code § 26-18-701(a)(3)(C), concerning the issuance
 7 of certificates of indebtedness and execution under the Arkansas Tax
 8 Procedure Act, is amended to read as follows:

9 (C)(i)(a) The certificate of indebtedness authorized by
 10 this subsection shall continue in force for ten (10) years from the date of
 11 recording and shall automatically expire after the ten-year period has run.

12 ~~(ii)~~(b) An action on the lien on the
 13 certificate of indebtedness shall be commenced within ten (10) years after
 14 the date of recording of the certificate, and not afterward.

15 ~~(iii)~~(c) The director shall not be required to
 16 file a release on a lien which has expired, and the provisions of § 26-18-808
 17 dealing with failure to release liens are not applicable to this section.

18 ~~(iv)~~(d) The provisions of this subsection are
 19 applicable to both liens already on file and all future filings of liens.

20 (ii) A bankruptcy filing by a taxpayer tolls the
 21 ten-year period for certificates of indebtedness under subdivision
 22 (a)(3)(C)(i) of this section until one hundred eighty (180) days after the
 23 termination of the taxpayer's bankruptcy case.

24 (iii) The director may file another lien to secure a
 25 tax delinquency if:

26 (a) The director is required to release an
 27 inadvertently filed lien because the filing of a bankruptcy case has stayed
 28 collection activity; and

29 (b) There is no subsequent discharge of the
 30 tax delinquency.

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 32 SECTION 3. Arkansas Code § 26-18-701(a), concerning the issuance of
 33 certificates of indebtedness and execution under the Arkansas Tax Procedure
 34 Act, is amended to add an additional subdivision to read as follows:

35 (4) The lien authorized by this section arises at the time the
 36 director makes the assessment and continues until the taxpayer satisfies the

1 assessment or the lien becomes unenforceable by operation of law.

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3 SECTION 4. EFFECTIVE DATE. Sections 1-3 of this act are effective for
4 tax years beginning on or after January 1, 2020.

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