

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1826

5 By: Representatives Cavanaugh, Beaty Jr.
6 By: Senator B. Johnson
7

For An Act To Be Entitled

9 AN ACT TO ESTABLISH TRAINING GUIDELINES FOR FIELD
10 AUDITORS OF THE DEPARTMENT OF FINANCE AND
11 ADMINISTRATION; TO AMEND THE DEGREE REQUIREMENT FOR
12 FIELD AUDITORS; TO REQUIRE THE DEPARTMENT OF FINANCE
13 AND ADMINISTRATION TO PROVIDE AN ANNUAL NOTICE OF
14 STATE TAX LITIGATION; AND FOR OTHER PURPOSES.
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Subtitle

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18 TO ESTABLISH TRAINING GUIDELINES AND
19 DEGREE REQUIREMENT FOR FIELD AUDITORS OF
20 THE DEPARTMENT OF FINANCE AND
21 ADMINISTRATION.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. DO NOT CODIFY. Legislative intent.

27 (a) Except as provided in the Arkansas Constitution, the General
28 Assembly has the sole authority to enact legislation providing for the levy
29 of a state tax or to provide a state tax exemption.

30 (b)(1) The General Assembly has provided the Revenue Division of the
31 Department of Finance and Administration the authority to promulgate any
32 rules necessary to administer the state tax laws of this state but has not
33 empowered the division to create its own state tax levies or state tax
34 exemptions.

35 (2) The rules promulgated by the division are subject to
36 approval by the Legislative Council, or if the General Assembly is in



1 session, the Joint Budget Committee, under § 10-3-309.

2 (c) Arkansas taxpayers invest significant resources to comply with the
 3 tax laws enacted by the General Assembly as well as the rules promulgated by
 4 the division.

5 (d)(1) The General Assembly has determined that the tax audit
 6 personnel within the division must possess the necessary training regarding
 7 the tax laws of this state as well as future amendments to the state's tax
 8 laws.

9 (2) Therefore, it is the intent of the General Assembly to
 10 require that the division provide persons employed as tax auditors the
 11 requisite training as provided under this act.

12 (e)(1) The General Assembly has determined that it must be informed as
 13 to disputes over the interpretations of the state's tax laws.

14 (2) Therefore, it is the intent of the General Assembly that the
 15 division shall provide to Legislative Council and Joint Budget Committee an
 16 annual notice of the state tax litigation cases that have reached a final
 17 resolution where the Department of Finance and Administration was a party to
 18 the cases.

19
 20 SECTION 2. Arkansas Code § 26-17-203, concerning field auditors
 21 employed by the Revenue Division of the Department of Finance and
 22 Administration, is amended to read as follows:

23 26-17-203. Field auditors.

24 (a) It shall be the duty of the Secretary of the Department of Finance
 25 and Administration in selecting field auditors to be employed by the Revenue
 26 Division of the Department of Finance and Administration to require that the
 27 applicants meet the following qualifications:

28 (1)(A) That he or she is a college graduate with a degree in
 29 accounting, business, or related field with a minimum of ~~twenty-four (24)~~
 30 twelve (12) hours of accounting.

31 (B) Accounting experience may be substituted for part or
 32 all of the basic requirement;

33 (2) That he or she is of good moral character and bears a good
 34 reputation for honesty and trustworthiness;

35 (3) That he or she is in a good state of physical health that
 36 will enable him or her to properly discharge his or her duties;

1 (4) That he or she has a valid Arkansas driver's license and is
 2 in good standing with the Office of Driver Services.

3 (b)(1) The secretary shall provide post-hiring training to field
 4 auditors on the following:

5 (A) Arkansas state tax law;

6 (B) The proper legal construction and interpretation of
 7 Arkansas tax laws as enacted by the General Assembly;

8 (C) The operation of the Arkansas Tax Procedure Act, § 26-
 9 18-101 et seq.;

10 (D) Developments in appellate case law involving taxes
 11 administered by the secretary;

12 (E) Amendments to Arkansas state tax law enacted by the
 13 General Assembly.

14 (2) The secretary shall update the training required by
 15 subdivision (b)(1)(D) and (E) of this section every two (2) years following
 16 the conclusion of each regular session of the General Assembly and verify
 17 that each auditor who previously underwent the training is notified of those
 18 updates.

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 20 SECTION 3. Arkansas Code § 26-17-304, concerning suits and other
 21 proceedings concerning taxes, fees, or licenses administered by the Revenue
 22 Division of the Department of Finance and Administration, is amended to add
 23 an additional subsection to read as follows:

24 (c)(1) The secretary shall give notice to the cochairs of the
 25 Legislative Council and the Joint Budget Committee of state tax litigation if
 26 the litigation:

27 (A) Originated in state circuit court;

28 (B) Pertained to a tax administered by the division;

29 (C) Made the secretary a defendant;

30 (D) Reached a final resolution in the previous calendar
 31 year with no further right of appeal for either party; and

32 (E) The amount in controversy exceeded twenty-five
 33 thousand dollars (\$25,000).

34 (2) The notice shall include:

35 (A) The style of the case that was litigated;

36 (B) The identity of the court before which the matter was

1 filed; and

2 (C) A brief description of the issues involved.

3 (3) The secretary shall provide the notice required by this
4 section annually on or before January 10 of each year.

5 (4) Upon filing of the notice under subdivision (c)(3) of this
6 section, the secretary, or his or her designee, may be called to appear
7 before the Legislative Council or the Joint Budget Committee regarding the
8 contents of the notice.

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