

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1904

By: Representative Lundstrum
By: Senator J. Petty

For An Act To Be Entitled

AN ACT TO AMEND THE PENALTIES IMPOSED FOR FAILURE TO
COMPLY WITH THE ARKANSAS TAX PROCEDURE ACT; AND FOR
OTHER PURPOSES.

Subtitle

TO AMEND THE PENALTIES IMPOSED FOR
FAILURE TO COMPLY WITH THE ARKANSAS TAX
PROCEDURE ACT.

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

SECTION 1. Arkansas Code § 26-18-208(1)–(3), concerning additional
penalties for failure to comply with the Arkansas Tax Procedure Act, are
amended to read as follows:

(1) In the case of a taxpayer's failure to file any return
required by any state tax law on or before the date prescribed determined
with regard to any extension of time for filing the return, unless it is
shown that the failure is due to reasonable cause and not to willful neglect,
there shall be added to the amount required to be shown as tax on the return
five percent (5%) of the amount of the tax if the failure is not more than
one (1) month, with an additional five percent (5%) for each additional month
or fraction of a month during which the failure continues, not to exceed
~~thirty five percent (35%)~~ ten percent (10%) in the aggregate;

(2)(A) In case of a failure to pay the amount shown as tax on
any return required to be filed under any state tax law, except an individual
income tax return, on or before the date prescribed for payment of the tax,
unless it is shown that the failure to pay is due to reasonable cause and not



1 to willful neglect, there shall be added to the amount shown as tax on the
2 return five percent (5%) of the amount of the tax if the failure is for not
3 more than one (1) month, with an additional five percent (5%) for each
4 additional month or fraction of a month during which the failure continues,
5 not to exceed ~~thirty-five percent (35%)~~ ten percent (10%) in the aggregate.

6 (B) In case of failure to pay the amount shown as tax on
7 any individual income tax return required to be filed, on or before the date
8 prescribed for payment of the tax, unless it is shown that the failure to pay
9 is due to reasonable cause and not to willful neglect, there shall be added
10 to the amount shown as tax on the return one percent (1%) of the amount of
11 the tax if the failure is for not more than one (1) month, with an additional
12 one percent (1%) for each additional month or fraction of a month during
13 which the failure continues, not to exceed ~~thirty-five percent (35%)~~ ten
14 percent (10%) in the aggregate;

15 (3)(A)(i) If any penalty is assessed under subdivision (1) of
16 this section, then no penalty shall be assessed under subdivision (2)(A) of
17 this section.

18 (ii) If any penalty is assessed under subdivision
19 (2)(A) of this section, then no penalty shall be assessed under subdivision
20 (1) of this section;

21 (B) With respect to any individual income tax return, the
22 amount of the addition under subdivision (1) of this section shall be
23 increased by the amount of the addition under subdivision (2)(B) of this
24 section for any month or fraction of a month to which an addition to tax
25 applies under both subdivisions (1) and (2)(B) of this section, not to exceed
26 ~~thirty-five percent (35%)~~ ten percent (10%) in the aggregate;