

**Stricken language would be deleted from and underlined language would be added to the law as it existed
prior to this session of the General Assembly.
Act 262 of the Regular Session**

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

SENATE BILL 254

5 By: Senators Wooldridge, Glover, Hill, Miller, Trusty
6 By: Representative Jackson
7

For An Act To Be Entitled

AN ACT TO CLARIFY THE INTEREST ALLOWED FOR AN
OVERPAYMENT OF TAX ON DELINQUENT TAX RETURNS; AND
FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE INTEREST ALLOWED FOR AN
OVERPAYMENT OF TAX ON DELINQUENT TAX
RETURNS.

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

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22 SECTION 1. Arkansas Code § 26-18-508 is amended to read as follows:
23 26-18-508. Interest on deficiencies and overpayments.

24 Interest shall be collected on tax deficiencies and paid on
25 overpayments as follows:

26 (1) A tax levied under any state tax law which is not paid when
27 due is delinquent. Interest at the rate of ten percent (10%) per annum shall
28 be collected on the total tax deficiency from the date the return for the tax
29 was due to be filed until the date of payment;

30 (2) Interest on a tax deficiency shall be assessed at the same
31 time as the tax deficiency. The tax deficiency together with the interest
32 shall be paid upon notice and demand by the director;

33 (3) When any overpayment has been made by a taxpayer, the
34 overpayment shall be refunded together with interest at the rate of ten
35 percent (10%) per annum;



1 (4) Interest on overpayments shall be paid from the date the
2 return for the tax was due to be filed, or the date the return is filed,
3 whichever occurs later, until a date, to be determined by the director,
4 preceding the date of the refund warrant by not more than thirty (30) days,
5 whether or not the warrant is accepted by the taxpayer;

6 (5) ~~If any overpayment of tax is refunded by the director within~~
7 ~~ninety (90) days after the last date provided for filing the return for the~~
8 ~~tax, determined with regard to any extension of time for filing the return,~~
9 ~~no interest shall be allowed on the overpayment;~~ No interest shall be allowed
10 on an overpayment of tax that is refunded by the director within ninety (90)
11 days after the last date provided for filing the return for the tax,
12 including any extension of time for filing the return, or ninety (90) days
13 after the date the return is filed, whichever occurs later; and

14 (6)(A) When an election to defer the payment of estate tax is
15 made, pursuant to the provisions of § 26-59-113(c), then the amount of
16 interest on such deferred portion of the estate tax qualifying for the
17 election shall be, in lieu of the amount otherwise provided by this
18 subdivision, at the rate of four percent (4%) per annum, on the balance of
19 the payments due under such installment deferral election.

20 (B) However, the four percent (4%) interest rate shall
21 only apply to the "4-percent portion" as that term is defined in 26 U.S.C. §
22 660(j)(2) (Supp. 1988).

23 (C) The interest rate on the estate tax exceeding the "4-
24 percent portion" shall be at the rate specified in subdivision (1) of this
25 section.

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28 APPROVED: 2/22/2005
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