



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: SB381

Bill Subtitle: TO REPEAL THE LAW REQUIRING THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO SUBMIT A REPORT CONCERNING THE ACTIVITIES OF THE MULTISTATE TAX COMMISSION AND ARKANSAS'S PARTICIPATION IN THE ACTIVITIES OF THE COMMISSION.

Sponsors:

Sen. Crowell and Rep. Cavanaugh

Basic Change:

SB381 repeals the requirement that the Department of Finance and Administration (DFA) submit an annual report to the President Pro Tempore of the Senate and the Speaker of the House of Representatives detailing the activities of the Multistate Tax Commission (MTC) and Arkansas' participation in the activities of the MTC.

The MTC is an organization composed of many states that strives to promote uniform and consistent tax policy and administration, assist taxpayers with tax compliance, and advocate for state sovereignty in tax policy. Arkansas is a full member state of the MTC. The MTC performs multistate audits of taxpayers on behalf of the states. Many large taxpayers prefer this method because it replaces multiple small audits with one large audit that will be shared with participating states.

The requirement to submit an annual report was created in 2015. Preparation of the written report requires approximately five hours of work annually by DFA employees. Elimination of the reporting requirement would allow those employees to spend those hours completing their regular job duties. DFA would remain available to answer questions from members regarding Arkansas' participation in the MTC.

Fiscal Impact:

None.

Taxpayer Impact:

None.

Resources Required:

None.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

DFA would discontinue providing the annual report detailing the activities of the MTC to the President Pro Tempore of the Senate and the Speaker of the House of Representatives.



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Other Comments:

None.

Legal Analysis:

None.