

1 State of Arkansas
2 84th General Assembly
3 Second Extraordinary Session, 2003
4

As Engrossed: H1/16/04
A Bill

Call Item 6

HOUSE BILL 1100

5 By: Representatives Matayo, Key
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For An Act To Be Entitled

9 AN ACT TO PROVIDE A STATE TAX PENALTY AND
10 INTEREST AMNESTY PROGRAM; AND FOR OTHER PURPOSES.

Subtitle

12 TO PROVIDE A TAX AMNESTY PROGRAM.
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16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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18 SECTION 1. As used in this act:

19 (1) "Account receivable" means:

20 (A) An amount of state tax, penalty, or interest which has
21 been recorded as due and entered in the account records of the Director of
22 the Department of Finance and Administration; or

23 (B) An amount the taxpayer expects to become due as a
24 direct or indirect result of any pending or completed audit or investigation
25 the taxpayer knows is being conducted by any federal, state, or local
26 governmental taxing authority;

27 (2) "State tax" means any tax, including local taxes, or any fee
28 for a license, permit, or registration that is payable to, collected by, or
29 administered by the Department of Finance and Administration except any taxes
30 or fees specifically excluded from the Arkansas Tax Procedure Act, § 26-18-
31 101 et seq.;

32 (3) "Taxpayer" means any natural person, corporation, or other
33 entity subject to or liable for any state tax;

34 (4)(A) "Voluntary payment" means a payment of any state tax
35 that:

36 (i) Was required to be reported before January 1,



1 2003;

2 (ii) Was not reported before the effective date of
3 this act; and

4 (iii) Is not an account receivable.

5 (B) "Voluntary payment" does not include:

6 (i) Payment of any state tax with respect to which a
7 taxpayer is under criminal investigation, charge, or prosecution; or

8 (ii) Payment of any state tax for which the Director
9 of the Department of Finance and Administration has issued a notice of
10 proposed assessment to the taxpayer under the Arkansas Tax Procedure Act, §
11 26-18-101 et seq.

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13 SECTION 2. The Director of the Department of Finance and
14 Administration shall administer a state tax penalty and interest amnesty
15 program for taxpayers who make a voluntary payment of state taxes during the
16 period of July 1, 2004, through December 31, 2004.

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18 SECTION 3. The Director of the Department of Finance and
19 Administration shall develop amnesty tax forms to be completed and filed by
20 the taxpayer.

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22 SECTION 4. (a) Upon written application and voluntary payment by the
23 taxpayer of all state taxes due, the taxpayer shall not be subject to any
24 further collection activity for the state taxes under this act.

25 (b) Amnesty will be granted only to taxpayers who:

26 (1) Apply for amnesty during the period of July 1, 2004, through
27 September 30, 2004;

28 (2) Submit all applicable tax forms during the period of July 1,
29 2004, through September 30, 2004; and

30 (3) Pay the tax due as computed by the Director of the
31 Department of Finance and Administration, in not less than three (3) months
32 from the filing date of the amnesty tax form.

33 (c) Failure to pay all other state taxes not eligible for amnesty when
34 due will invalidate the amnesty granted under this act.

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36 SECTION 5. The Director of the Department of Finance and

1 Administration may publicize the tax amnesty program by any medium available
2 to further public awareness of and participation in the program.

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4 SECTION 6. Public School Facilities Fund.

5 (a) There is created on the books of the Treasurer of State, Auditor
6 of State, and Chief Fiscal Officer of the State a special revenue fund to be
7 known as the "Public School Facilities Fund".

8 (b)(1) All monies collected under this act shall be deposited as
9 follows:

10 (A) Funds designated in Arkansas Code § 19-6-201 as
11 general revenues shall be deposited into the State Treasury to the credit of
12 the fund as special revenues.

13 (B) Funds designated in Arkansas Code § 19-6-301 as
14 special revenues shall be deposited into the State Treasury as special
15 revenues to be distributed as provided by law.

16 (2) The distribution of municipal and county taxes collected
17 under this tax amnesty program is not affected by this section.

18 (3) The fund shall also consist of any other revenues as may be
19 authorized by law.

20 (c) The fund shall be used for improvements, construction, or repair
21 of public school facilities.

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23 SECTION 7. EMERGENCY CLAUSE. It is found and determined by the
24 General Assembly that the State of Arkansas is in great need of additional
25 revenues for improvements, construction, or repair of public school
26 facilities and that providing a tax penalty and interest amnesty program will
27 result in substantial additional revenues. Therefore, an emergency is
28 declared to exist and this act being necessary for the preservation of the
29 public peace, health, and safety shall be in full force and effect from and
30 after its passage and approval.

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32 */s/ Matayo, et al*