

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

SENATE BILL 695

5 By: Senator A. Clark
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW GOVERNING THE TYPE AND MANNER
9 OF NOTICE OF A PROPOSED ASSESSMENT THAT MUST BE GIVEN
10 TO A TAXPAYER; TO DEFINE "SERVICE OF NOTICE" FOR
11 PURPOSES OF A PROPOSED ASSESSMENT; AND FOR OTHER
12 PURPOSES.
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Subtitle

15 TO AMEND THE LAW GOVERNING THE TYPE AND
16 MANNER OF NOTICE OF A PROPOSED ASSESSMENT
17 THAT MUST BE GIVEN TO A TAXPAYER.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 26-18-307(a), concerning the general notice
24 that must be provided to an individual taxpayer regarding certain matters, is
25 amended to read as follows:

26 (a)(1) The Secretary of the Department of Finance and Administration
27 shall give a taxpayer notice of any assessment, demand, decision, or hearing
28 before the secretary ~~which~~ that directly involves that taxpayer.

29 (2)(A) Except as provided under § 26-18-404(c), ~~All~~ all notices
30 required to be given by the secretary to a taxpayer shall be either served by
31 personal service or sent by regular mail to the taxpayer's last address on
32 record with the particular tax section of the Revenue Division of the
33 Department of Finance and Administration in question.

34 (B) Except as provided under § 26-18-404(c), ~~Service~~
35 service of the notice by mail is presumptively complete upon mailing, and the
36 secretary may take any action permitted by any state tax law.



1 (3) All notices of final assessment under § 26-18-401 shall be
2 sent by regular mail.

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4 SECTION 2. Arkansas Code § 26-18-403(a)(2)(B), as amended by Acts
5 2021, No. 593, concerning the notice that the Department of Finance and
6 Administration must issue when it proposes an assessment to a taxpayer who
7 has failed to file a return or who has underpaid the tax owed, is amended to
8 read as follows:

9 (B) The notice required under subdivision (a)(2)(A) of
10 this section shall:

11 (i) Explain the basis for the proposed assessment,
12 and show all the calculations used to arrive at the proposed assessment;

13 (ii)(a) State that a final assessment, as provided
14 by § 26-18-401, will be made if the taxpayer does not protest the proposed
15 assessment as provided by § 26-18-404 or file a petition under the
16 Independent Tax Appeals Commission Act, § 28-18-1101 et seq., as applicable.

17 (b) The taxpayer does not have to protest the
18 proposed assessment to later be entitled to exercise the right to seek a
19 judicial review of the assessment under § 26-18-406; and

20 (iii) ~~Provide contact information for the taxpayer~~
21 ~~to use if the taxpayer wants to obtain his or her tax records, including~~
22 ~~without limitation the facts and evidence supporting the proposed assessment,~~
23 ~~from the Department of Finance and Administration~~ Include all documents,
24 facts, and evidence used to arrive at the proposed assessment.

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26 SECTION 3. Arkansas Code § 26-18-404(c), concerning the period of time
27 a taxpayer has to protest a proposed assessment or a denial of a refund claim
28 after having received service of the notice, is amended to add an additional
29 subdivision to read as follows:

30 (3) For a proposed assessment or a refund denial that is at
31 least five thousand dollars (\$5,000), the service of notice shall be sent to
32 the taxpayer by registered mail and the time for filing a written protest
33 under this subsection shall begin on the day the taxpayer:

34 (A) Signed for the registered mail; or

35 (B) Refused the registered mail.