

1991-10. Tax Advisory Council

SECTION 1. Tax Advisory Council

(a) Pursuant to Act 998 of 1991 the Commissioner of Revenue hereby establishes the Tax Advisory Council. Members of the council shall consist of representatives of the following groups:

- Arkansas Bar Association;
- Arkansas Society of Certified Public Accountants;
- Arkansas Society of Public Accountants;
- Revenue Division of the Arkansas Department of Finance and Administration; and
- other taxpayer oriented groups.

The Commissioner of Revenues shall appoint at least one member of each group to serve on the Council.

(b) The Council shall meet annually, or more often if necessary, to discuss tax law changes, compliance problems and other related matters. The Council shall study methods to expedite claims for refund, protests, appeals and cases which take an inordinate amount of time to complete. The Council shall develop and submit an annual report to the Chairmen of Revenue and Taxation Committees of the House of Representatives and Senate.

SECTION 2. Claim for Damages

(a) Any taxpayer who has sustained actual damages as a result of any erroneous action taken by the Department of Finance and Administration in a collection activity may file a claim for reimbursement with the Department. Before the claim will be granted, the claimant/taxpayer must establish:

1. that they sustained actual damages as a result of an error made by the Revenue Division; and
2. that prior to the damages being sustained, the claimant responded to all contacts made by the Revenue Division and provided all requested information or documentation sufficient to establish the taxpayer's position. This provision may be waived for reasonable cause.

(b) All claims for reimbursement shall be filed on forms as prescribed by the Commissioner. A copy of the prescribed form is included as Attachment "A" to this Regulation.

(c) Claims for reimbursement must be filed within ninety (90) calendar days after the date the actual damage was sustained. Claimants shall submit their claims to the

Commissioner of Revenues, P. O. Box 1272, Little Rock, Arkansas 72203. The Commissioner of Revenues shall review the claim submitted and approve or deny the claim within thirty (30) days of receipt. The claimant shall be notified promptly if the claim was approved or denied. If the claim is denied the Department shall provide the taxpayer written notice of the reasons for denial.

SECTION 3. Employee Evaluation

(a) The job responsibilities of many Revenue Division employees include taxpayer contacts. Some employees have contact with taxpayers that is governed by the Taxpayer Bill of Rights. Other employees have contact with taxpayers that, although not covered by the Taxpayer Bill of Rights, require quality taxpayer assistance. The employee evaluation of each employee having taxpayer contacts shall include the appropriate evaluation standard set out below.

(b)(1) The following standard shall be used for all employees who have contact with the public not covered the Taxpayer Bill of Rights:

The employee shall provide courteous, prompt and helpful service by offering technical assistance when needed, by giving correct information and advice when in their area of expertise, by directing taxpayers to the appropriate office when assistance is needed outside the employee's area of expertise, and by notifying their supervisor of a co-worker's inappropriate treatment of taxpayers.

(2) The following standard shall be used for employees who have contact with the public under the Arkansas Taxpayer Bill of Rights:

- i. Allowing taxpayers to record interviews,
- ii. Explaining the audit or collection process,
- iii. Complying with the taxpayer's request to meet with their personal representative,
- iv. Promptly releasing any liens on paid accounts, and
- v. Considering all reasonable requests for installment payment arrangements.

SECTION 4. Disclosure or Use of Information by Preparers of Returns

(a) Any person engaged in the business of preparing, or providing services in connection with the preparation of, returns of tax administered under the Arkansas Tax Procedure Act, 26-18-101 et seq., or any person who, for compensation prepares any such return for any other person, and who:

1. Discloses any information furnished to him for, or in connection with the preparation of any such return; or

2. Uses any such information for any purpose other than to prepare, or assist in preparing, any such return, shall pay a penalty of two hundred fifty dollars (\$250) for each such disclosure or use, but the total amount imposed under this subsection on such a person for any calendar year shall not exceed ten thousand dollars (\$10,000).

(b) Subsection (a) of this section shall not apply to a disclosure of information if such disclosure is made either:

1. Pursuant to the Arkansas Taxpayer Bill of Rights (Ark. Code Ann. §26-18-801 et seq.); or
2. Pursuant to an order of a court; or
3. For quality or peer reviews, which are conducted under the auspices of the American Institute of Certified Public Accountants or the Securities and Exchange Commission.

- (c) The criminal penalties provided for herein are in addition to any fines, penalties, imprisonment imposed by Ark. Code Ann. §26-18-303.

Signed this 6th day of December, 1991.

Jim Pledger, Director
Department of Finance
And Administration

Tim Leathers
Commissioner of Revenues