



## ARKANSAS TAX APPEALS COMMISSION

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January 28, 2025

To: Governor Sarah Huckabee Sanders  
Cabinet Secretary Allison Bragg, DIG  
Speaker Brian S. Evans  
President Pro Tempore Bart Hester  
Rep. Carol Dalby, Chair - Judiciary  
Sen. Alan Clark, Chair - Judiciary  
Rep. Les D. Eaves, Co-Chair - ALC  
Sen. Ben Gilmore, Co-Chair - ALC

Re: Arkansas Tax Appeals Commission 2024 Annual Report

Dear Governor Sanders, Cabinet Secretary Bragg, and leaders of the General Assembly:

I present to you the second annual report of the Arkansas Tax Appeals Commission, as required by Arkansas Code section 26-18-1106(b)(7). This report summarizes the Commission's work in 2024. To highlight key points:

- The Commission is now fully ramped-up, issuing 21% more decisions in 2024 compared with 2023.
- More appeals are getting settled or otherwise resolved between the parties without a hearing – a 14% increase.
- Commission operations improved, with average case timelines decreasing across all appeal types.

### *Background*

The Arkansas Tax Appeals Commission hears taxpayer appeals from actions taken by the Department of Finance and Administration, primarily proposed tax assessments. It was created by Act 586 of 2021, formed in 2022, and began hearing cases in 2023. The Commission amended its rules last year, which came into effect October 31, 2024.

Taxpayer appeals to the Commission are confidential. Our decisions are published at <https://ig.arkansas.gov/tax-appeals-commission/ig-decisions-search/>, with taxpayer-

identifying information redacted. Most appeals are heard by a single commissioner. Large cases are heard by the full Commission as a panel.

*Statistics*

<u>Category</u>	<u>2024</u>	<u>2023</u>
<b>Case Load as of Year-End</b>	<b>331</b>	<b>486</b>
<b>Number of Petitions Filed</b>	<b>2,878</b>	<b>3,211</b>
<b>Number of Claims Settled</b>	<b>2,002</b>	<b>1,749</b>
<b>Total Number of Decisions</b>	<b>419</b>	<b>346</b>
Decisions in Favor of DFA	297	276
Decisions in Favor of Taxpayer	98	63
Decisions Partly in Favor of Both Parties	24	7
<b>Total Number of Petitions Rejected or Dismissed</b>	<b>611</b>	<b>629</b>
Petition Rejected	274	140
Jurisdictional Dismissal on DFA Motion	30	23
Jurisdictional Dismissal on Commission Initiative	291	466
Dismissal for Nonprosecution	16	0
<b>Average Number of Days to Reach a Decision</b>		
Business Closure	13	14
Cancellation or Refusal to Issue License	19	28
Joint Refund Offset Spousal Relief	35	42
Proposed Tax Assessment	136	174
Refund Claim Denial	145	169

<u>Category</u>	<u>2024</u>	<u>2023</u>
<b>Methods of Hearing Cases</b>		
In Person	30	38
Teleconference	196	189
Videoconference	45	23
Hybrid In-Person and Remote	5	1
Hearing Waived (Written Submissions)	143	95

### *Analysis and Comments*

As a starting point, the number of petitions received by the Commission decreased by 10% compared to 2023. In addition, more appeals were resolved between the parties without a hearing in 2024.

Commission procedures and staff have improved, as reflected in the 32% lower case load as of year-end and the improvements in the time for the Commission to reach a decision in the various categories of appeals. Having three commissioners in place throughout 2024 contributed to improved performance.

Because the appeal process for tax assessments and refund claim denials takes five or six months on average, the decision statistics for 2023 did not reflect a full ramp-up. 2024 is really the first full year of Commission decisions, in terms of quantity and outcomes.

### *Conclusion*

This report provides the statistical information required by law. The Commission would be pleased to provide additional information and statistics about tax appeals upon request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matt Boch".

Matt Boch  
Chief Commissioner

Cc: Rep. Frances Cavanaugh, Chair - Revenue & Taxation  
Sen. Jimmy Hickey, Jr., Chair - Revenue & Taxation  
Rep. David Ray, Vice-Chair - Revenue & Taxation  
Sen. Steve Crowell, Vice-Chair - Revenue & Taxation  
Sen. Blake Johnson  
Sen. Jonathan Dismang  
Cabinet Secretary Jim Hudson, DFA  
Commissioner Joseph A. Sanford  
Commissioner D. Clay Sloan