

REVENUE: Revenue statement issued

FISCAL: No Fiscal Impact

Action: Do pass with amendments and be printed engrossed

Vote: 9-0-0

Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart

Nays:

Exc.:

Prepared By: Mary Ayala, Economist

Meeting Dates: 5/23, 5/30

WHAT THE BILL DOES: Permits an assessor or tax roll officer to correct errors in valuation at any time during appeal process if correction results in a reduced tax. Clarifies that correction in value judgment to accounts that are appraised by the Department of Revenue may not be made without the approval of this Department. Removes 'corn' from the list of products that are eligible for the income tax credit for production of biomass; and delays eligibility for 'wheat' until January 1, 2009. Takes effect upon becoming law.

ISSUES DISCUSSED:

- That the proposed bill will reduce interest owed on a tax payment if a prolonged dispute results in a tax reduction and refund.
- That the proposed bill will increase the timely resolution of errors.
- Adds flexibility to the process for correcting valuation judgment errors.
- Correcting issued related to HB 2210.

EFFECT OF COMMITTEE AMENDMENTS: The amendment pertains to products that are listed in HB 2210, a proposal that will provide tax credits to producers who use certain perishable items to produce biofuel. The amendment makes 'corn' ineligible for the tax credit and delays the eligibility of 'wheat' until January 1, 2009.

BACKGROUND: Under current law, after the county assessor has certified the tax roll, and on or before December 31st, the tax roll officer may correct errors or omissions that were identified prior to the certification date; but the officer may not correct an error in valuation judgment, except when the assessor does so at his own initiative or at the taxpayer's request because it reduces the value of the taxpayer's property. The law is silent about the ability of the tax assessor to reduce value during an appeal process; and the errors that are identified after January 1 may not be corrected until the next assessment year. HB2210 creates income tax credit for production or collection of biomass used to produce biofuel.

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This summary has not been adopted or officially endorsed by action of the committee.