

REVENUE: Revenue Impact Issued
FISCAL: Minimal Fiscal Impact

Action: Do Pass with Amendments and be printed A-Eng.
Vote: 4-1-0
Yeas: Hass, Morse, Rosenbaum, Burdick
Nays: Telfer
Exc.: 0
Prepared By: Chris Allanach, Economist
Meeting Dates: 2/3; 3/31

WHAT THE BILL DOES: Adopts a uniform definition of a “financial institution” and replaces the two definitions currently in statute. Effective for tax years beginning on or after January 1, 2009. Applies to tax years that are subject to appeal, adjustment, audit, or refund for certain entities.

ISSUES DISCUSSED:

- Role of the Multi-State Tax Commission
- Impact of apportionment on taxation

EFFECT OF COMMITTEE AMENDMENTS: Replaces the term “organization” with “institution”.

BACKGROUND: Because of the two definitions currently in statute, there is the potential for different tax treatment for entities that may be functionally similar to each other but fit into the different definitions.