

**REVENUE: No Revenue Impact**  
**FISCAL: No Fiscal Impact**

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**Action:** Do Pass  
**Vote:** 8-0-2  
**Yeas:** Bailey, Bentz, Bruun, Gelser, Kahl, Riley, Sprenger, Barnhart  
**Nays:** 0  
**Exc.:** Berger, Read  
**Prepared By:** Chris Allanach, Economist  
**Meeting Dates:** 5/26, 6/1

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**WHAT THE BILL DOES:** Prohibits the Department of Revenue from applying an administrative rule that would change any particular of a tax return or report (such as income, expense, deduction or credit) if the return or report was timely filed and the particulars were treated consistent with administrative rules in effect at that time. Applies to administrative rules adopted or amended by the department on or after the effective date of this Act. Takes effect on the 91<sup>st</sup> day after sine die.

**ISSUES DISCUSSED:**

- Department of Revenue administrative rules policy

**EFFECT OF COMMITTEE AMENDMENTS:** None

**BACKGROUND:** In some cases, the interpretation of tax law is not always clear; taxpayers and the Department of Revenue may not agree on the proper interpretation or application of certain tax laws. When new tax laws are implemented, the administrative rules process is intended to address such issues. However, not all possible interpretations may be recognized prior to taxpayers filing returns. The intent of this policy is to ensure a consistent treatment of tax returns that are timely and properly filed.