

**HB 2087 -1 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Christine Broniak, Economist

**Meeting Dates:** 4/3

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**WHAT THE MEASURE DOES:**

Expands taxpayer bill of rights. Lowers limits on interest allowed on tax deficiencies. Applies to tax years beginning on or after January 1, 2018. Provides for cancellation, after 20 years, of uncollected tax debt, penalties and interest. Establishes Office of Taxpayer Advocate and Office of Independent Administrative Review in Department of Revenue. Establishes functions, powers and duties of offices. Appropriates moneys from General Fund to Department of Revenue for purposes of offices.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-1 Replaces Measure. Expands taxpayer bill of rights to include information about the procedures used by the Department of Revenue for the collection of tax debt and the methods the taxpayer can use to appeal these decisions. Prohibits the Department from contacting a taxpayer by phone if a valid power of attorney has been filed with the Department. Requires the Department of Revenue to cancel any tax over 20 years old and associated penalties and interest. Requires the Department to adopt and publish standards for determining the amount of a taxpayer's wages that are exempt from execution. Changes tax penalties for falsely prepared returns from 100 percent of the resulting deficiency to 25 percent of the deficiency. Changes the penalty for failing to file a return for three consecutive years from 100 percent of the tax liability to 25 percent of the tax liability. Changes the penalty for failing to file a report or return with intent to evade the tax from 100 percent of the deficiency to 25 percent of the deficiency. Applies to tax years beginning on or after January 1, 2018.

**BACKGROUND:**

The taxpayer bill of rights is a statement that the Department of Revenue prepares to inform taxpayers of various rights related to their taxes. These include the rights of the taxpayer during audits, procedures used to appeal decisions of the Department, and the procedures that the Department may use in enforcing the provisions of the law.