

HB 2087 A STAFF MEASURE SUMMARY

Carrier: Rep. Barnhart

House Committee On Revenue

Action Date: 06/21/17

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 8-0-1-0

Yeas: 8 - Barnhart, Buehler, Hernandez, Johnson, Marsh, Nosse, Smith G, Smith Warner

Exc: 1 - Bentz

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

Prepared By: Christine Broniak, Economist

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:

- Department of Revenue administration of requirements

EFFECT OF AMENDMENT:

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 procedures by which a taxpayer may appeal decisions related to collections. Prohibits the department from contacting the taxpayer by phone if a valid power of attorney has been filed and the department has been notified of this power of attorney. Requires the Department to cancel any unpaid tax over 20 years old and associated penalties and interest. Provides for an exemption from this requirement for the taxes associated with the Senior and Disabled Property Tax Deferral Program and the Deferral for Local Improvement Districts. Requires the Department to publish standards used by the department in determining whether an agreement to satisfy a tax liability through installment payments facilitates collection of the liability. Requires the Department to consider the collection standards of the Internal Revenue Service when developing these standards.

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.