

HB 55 -- Tax Amnesty Program

SPONSOR: Flanigan

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Ways and Means by a vote of 12 to 0.

This bill authorizes an amnesty from the assessment or payment of all penalties, additions to tax, and interest on delinquencies of unpaid taxes administered by the Department of Revenue which occurred on or prior to December 31, 2012. A taxpayer must apply for amnesty; pay the unpaid taxes in full from August 1, 2013, to October 31, 2013; and agree to comply with state tax laws for the next eight years from the date of the agreement. All tax payments received from the tax amnesty program must be deposited into the General Revenue Fund unless otherwise earmarked by the Missouri Constitution.

These provisions become effective July 1, 2013, and will expire December 31, 2016.

The bill contains an emergency clause.

PROPONENTS: Supporters say that the bill gives a taxpayer a chance to clean up his or her tax delinquencies by offering a tax amnesty on past due individual and corporate income taxes. This is a good way to get taxpayers who are not paying into the tax roles to do so and to require them to pay their taxes for the next eight years. The last tax amnesty was in 2003. The emergency clause is needed to get the money this year.

Testifying for the bill were Representative Flanigan; Associated Industries of Missouri; and Missouri Budget Project.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that the Department of Revenue is working through its backlog, stepping up its enforcement efforts, and filing more tax liens. About \$50 million of the fiscal note estimate will come in over the next 10 years without this bill. If any taxpayer has an active case or criminal investigation, he or she is not eligible for amnesty.

Testifying on the bill was Department of Revenue.