

SS HB 384 -- TAXATION

This bill changes the laws regarding taxation.

TAX AMNESTY (Section 32.383, RSMo)

The 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, 2014. The amnesty must not extend to any taxpayer who at the time of payment is a party to any criminal investigation or any civil or criminal litigation in any court of the United States or this state that is pending for nonpayment, delinquency, or fraud regarding any tax imposed by this state. A taxpayer must apply for amnesty; pay the unpaid taxes in full from September 1, 2015, to November 30, 2015; and agree to comply with state tax laws for the next eight years from the date of the agreement. If a taxpayer is granted amnesty, he or she will not be eligible to participate in any future amnesty for the same type of tax.

The bill creates the Tax Amnesty Fund consisting of moneys received from the tax amnesty program. Upon appropriation, moneys in the fund must be used for an increase in the rate of reimbursement to MO HealthNet providers and an increase in the number of adults receiving dental coverage under MO HealthNet as specified in the bill. Any excess moneys in the fund must be deposited into the General Revenue Fund.

The Department of Revenue may enter into an agreement with a third-party vendor to provide collection services for eligible delinquent tax liabilities to be collected by the department and to assist with the administration of the amnesty program.

These provisions will expire on December 31, 2023.

RECIPROCAL COLLECTION AND OFFSET OF INDEBTEDNESS AGREEMENT (Section 32.385)

The bill allows the Director of the Department of Revenue and the Commissioner of the Office of Administration to enter into a reciprocal collection and offset of indebtedness agreement with the federal government to offset from federal payments to vendors, contractors, and taxpayers for any debt owed to the state. Currently, the department has a reciprocal agreement with the United States Treasury to offset income tax over-payments. The department director and the commissioner are also authorized to enter into a reciprocal agreement with any other state to offset from state tax refunds and from payments due to vendors and

contractors providing goods or services to state departments or agencies non-tax debt due if the other state extends a similar authority to this state. The requirements of the agreements are specified in the bill.

OFFICE OF TAXPAYER ADVOCATE (Sections 37.650 and 136.380)

The bill repeals the provisions regarding the Office of Taxpayers' Ombudsman and establishes the Office of Taxpayer Advocate within the Department of Revenue who is to be appointed by the Governor with the advice and consent of the Senate. The taxpayer advocate will serve a six-year term. He or she must act independently of the department in the performance of his or her duties. The department must provide administrative support and staff as deemed necessary. The office must have the authority to communicate with any taxpayer and any employee of the department regarding any individual taxpayer's tax issues and to have access to any records held by any department or agency regarding a taxpayer's tax issues. The advocate must annually report to the General Assembly and the Governor regarding cases handled by the office and recommendations for changes in tax laws or the operation of the department.

TAXPAYER'S BILL OF RIGHTS (Section 136.375)

The Taxpayer's Bill of Rights is revised to include the right to fair and consistent application of Missouri tax laws by the Department of Revenue.

STUDY COMMISSION ON STATE TAX POLICY (Section 136.450)

The bill establishes the Study Commission on State Tax Policy composed of specified tax experts and members of the Joint Committee on Tax Policy, including one individual representing the needs and concerns of individual taxpayers of this state appointed by the Minority Floor Leader of the House and one appointed by the Minority Floor Leader of the Senate. The commission must establish a minimum of five public hearing dates in different geographic regions of the state. The commission must study the tax structure of the state and its political subdivisions; identify the strengths and weaknesses of state tax laws and develop a broad range of improvements; investigate measures and methods to simplify state tax law, improve tax compliance, and reduce administrative costs; examine and study any other aspects of state and local government that may be related to the state's tax structure; and provide reports of its findings and recommendations for legal and administrative changes and any proposed legislation to the Governor and General Assembly. The final report is due December 31, 2017. The commission must cease all activities by January 1, 2018, and these provisions will expire August 28, 2018.