

1 HOUSE BILL NO. 87

2 INTRODUCED BY M. HANSON

3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE REQUIREMENT THAT THE DEPARTMENT OF
6 REVENUE NOTIFY TAXPAYERS BY CERTIFIED MAIL WHEN THE DEPARTMENT PLANS TO ASSESS THE
7 PROPERTY OF A TAXPAYER WHO HAS REFUSED TO FURNISH INFORMATION; AMENDING SECTION
8 15-1-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11

12 **Section 1.** Section 15-1-303, MCA, is amended to read:

13 **"15-1-303. Penalty for refusal to furnish information.** (1) If a person refuses to allow inspection
14 of any books or records when requested by the department or refuses or neglects to furnish any information
15 called for by the department in the performance of its official duties relating to the assessment and taxation
16 of property, the department shall make a determination and assessment of the property as in its judgment
17 appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the
18 assessment as a penalty for the refusal or neglect. The department shall immediately notify the person
19 assessed of its action, either by ~~certified~~ mail or by personal service of the notice.

20 (2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following
21 remedies:

22 (a) Within 15 days after receipt of the assessment, the taxpayer may request an informal
23 conference with the department. At the conference, the taxpayer may present evidence in mitigation or
24 extenuation of the failure to supply the information requested by the department. Within 10 days after the
25 conference, the department shall notify the taxpayer by ~~certified~~ mail whether the assessment will be
26 modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation
27 or extenuation of the failure to supply the information sought by the department and if it finds that the
28 taxpayer did not willfully refuse to supply the information.

29 (b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to
30 the county tax appeal board within 20 days after receipt of the decision of the department. The county tax

1 appeal board has the authority to modify the:

2 (i) assessment only if it finds that the assessment exceeds 100% of the value of the property
3 specified in 15-8-111; and

4 (ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or
5 extenuation of the failure to supply the information that the department sought.

6 (c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not
7 reduce the penalty to less than 20% of the assessment or, if the assessment is modified pursuant to
8 subsection (2)(b)(i), to less than 20% of the modified assessment.

9 (3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal
10 to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's
11 decision. When deciding an appeal brought under this subsection, the state tax appeal board shall follow
12 the provisions of subsections (2)(b) and (2)(c).

13 (4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial
14 review pursuant to 15-2-303."

15

16 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

17

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0087, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act eliminating the requirement that the Department of Revenue notify taxpayers by certified mail when the department plans to assess the property of a taxpayer who has refused to furnish information; and providing an immediate effective date.

ASSUMPTIONS:

1. Approximately 10,000 letters annually are sent by the department to taxpayers who have refused to furnish information to the department (MDOR).
2. Mailing cost is \$.32 per letter. Certified mail cost is an additional \$1.00 per letter (MDOR).
3. One thousand of the 10,000 letters are mailed with return receipt designation. It is expected that this practice will continue under the proposal (MDOR).
4. Cost for return receipt designation is an additional \$1.00 per letter (MDOR).

FISCAL IMPACT:

Expenditures:

It is possible the proposal could result in cost savings in FY97. The extent of the savings would be dependent on the date the proposal became law.

	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
Operating Costs	\$ (9,000)	\$ (9,000)
<u>Revenues:</u>	0	0
<u>Net Impact:</u>		
General Fund	\$ 9,000	\$ 9,000

Dave Lewis 1-7-97
 DAVE LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Marion M. Hanson 1/8/97
 MARION HANSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0087, as introduced

HB 87

APPROVED BY COM
ON TAXATION

1 HOUSE BILL NO. 87

2 INTRODUCED BY M. HANSON

3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE REQUIREMENT THAT THE DEPARTMENT OF
6 REVENUE NOTIFY TAXPAYERS BY CERTIFIED MAIL WHEN THE DEPARTMENT PLANS TO ASSESS THE
7 PROPERTY OF A TAXPAYER WHO HAS REFUSED TO FURNISH INFORMATION; AMENDING SECTION
8 15-1-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 15-1-303, MCA, is amended to read:

13 **"15-1-303. Penalty for refusal to furnish information.** (1) If a person refuses to allow inspection
14 of any books or records when requested by the department or refuses or neglects to furnish any information
15 called for by the department in the performance of its official duties relating to the assessment and taxation
16 of property, the department shall make a determination and assessment of the property as in its judgment
17 appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the
18 assessment as a penalty for the refusal or neglect. The department shall immediately notify the person
19 assessed of its action, either by ~~certified~~ mail or by personal service of the notice.

20 (2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following
21 remedies:

22 (a) Within 15 days after receipt of the assessment, the taxpayer may request an informal
23 conference with the department. At the conference, the taxpayer may present evidence in mitigation or
24 extenuation of the failure to supply the information requested by the department. Within 10 days after the
25 conference, the department shall notify the taxpayer by ~~certified~~ mail whether the assessment will be
26 modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation
27 or extenuation of the failure to supply the information sought by the department and if it finds that the
28 taxpayer did not willfully refuse to supply the information.

29 (b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to
30 the county tax appeal board within 20 days after receipt of the decision of the department. The county tax

1 appeal board has the authority to modify the:

2 (i) assessment only if it finds that the assessment exceeds 100% of the value of the property
3 specified in 15-8-111; and

4 (ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or
5 extenuation of the failure to supply the information that the department sought.

6 (c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not
7 reduce the penalty to less than 20% of the assessment or, if the assessment is modified pursuant to
8 subsection (2)(b)(i), to less than 20% of the modified assessment.

9 (3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal
10 to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's
11 decision. When deciding an appeal brought under this subsection, the state tax appeal board shall follow
12 the provisions of subsections (2)(b) and (2)(c).

13 (4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial
14 review pursuant to 15-2-303."

15

16 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

17

-END-

1 HOUSE BILL NO. 87

2 INTRODUCED BY M. HANSON

3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE REQUIREMENT THAT THE DEPARTMENT OF
6 REVENUE NOTIFY TAXPAYERS BY CERTIFIED MAIL WHEN THE DEPARTMENT PLANS TO ASSESS THE
7 PROPERTY OF A TAXPAYER WHO HAS REFUSED TO FURNISH INFORMATION; AMENDING SECTION
8 15-1-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 Section 1. Section 15-1-303, MCA, is amended to read:

13 "15-1-303. **Penalty for refusal to furnish information.** (1) If a person refuses to allow inspection
14 of any books or records when requested by the department or refuses or neglects to furnish any information
15 called for by the department in the performance of its official duties relating to the assessment and taxation
16 of property, the department shall make a determination and assessment of the property as in its judgment
17 appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the
18 assessment as a penalty for the refusal or neglect. The department shall immediately notify the person
19 assessed of its action, either by ~~certified~~ mail or by personal service of the notice.

20 (2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following
21 remedies:

22 (a) Within 15 days after receipt of the assessment, the taxpayer may request an informal
23 conference with the department. At the conference, the taxpayer may present evidence in mitigation or
24 extenuation of the failure to supply the information requested by the department. Within 10 days after the
25 conference, the department shall notify the taxpayer by ~~certified~~ mail whether the assessment will be
26 modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation
27 or extenuation of the failure to supply the information sought by the department and if it finds that the
28 taxpayer did not willfully refuse to supply the information.

29 (b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to
30 the county tax appeal board within 20 days after receipt of the decision of the department. The county tax

1 appeal board has the authority to modify the:

2 (i) assessment only if it finds that the assessment exceeds 100% of the value of the property
3 specified in 15-8-111; and

4 (ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or
5 extenuation of the failure to supply the information that the department sought.

6 (c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not
7 reduce the penalty to less than 20% of the assessment or, if the assessment is modified pursuant to
8 subsection (2)(b)(i), to less than 20% of the modified assessment.

9 (3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal
10 to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's
11 decision. When deciding an appeal brought under this subsection, the state tax appeal board shall follow
12 the provisions of subsections (2)(b) and (2)(c).

13 (4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial
14 review pursuant to 15-2-303."

15

16 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

17

-END-

APPROVED BY COM
ON TAXATION

1 HOUSE BILL NO. 87

2 INTRODUCED BY M. HANSON

3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE REQUIREMENT THAT THE DEPARTMENT OF
6 REVENUE NOTIFY TAXPAYERS BY CERTIFIED MAIL WHEN THE DEPARTMENT PLANS TO ASSESS THE
7 PROPERTY OF A TAXPAYER WHO HAS REFUSED TO FURNISH INFORMATION; AMENDING SECTION
8 15-1-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 15-1-303, MCA, is amended to read:

13 **"15-1-303. Penalty for refusal to furnish information.** (1) If a person refuses to allow inspection
14 of any books or records when requested by the department or refuses or neglects to furnish any information
15 called for by the department in the performance of its official duties relating to the assessment and taxation
16 of property, the department shall make a determination and assessment of the property as in its judgment
17 appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the
18 assessment as a penalty for the refusal or neglect. The department shall immediately notify the person
19 assessed of its action, either by ~~certified~~ mail or by personal service of the notice.

20 (2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following
21 remedies:

22 (a) Within 15 days after receipt of the assessment, the taxpayer may request an informal
23 conference with the department. At the conference, the taxpayer may present evidence in mitigation or
24 extenuation of the failure to supply the information requested by the department. Within 10 days after the
25 conference, the department shall notify the taxpayer by ~~certified~~ mail whether the assessment will be
26 modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation
27 or extenuation of the failure to supply the information sought by the department and if it finds that the
28 taxpayer did not willfully refuse to supply the information.

29 (b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to
30 the county tax appeal board within 20 days after receipt of the decision of the department. The county tax

1 appeal board has the authority to modify the:

2 (i) assessment only if it finds that the assessment exceeds 100% of the value of the property
3 specified in 15-8-111; and

4 (ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or
5 extenuation of the failure to supply the information that the department sought.

6 (c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(iii), it may not
7 reduce the penalty to less than 20% of the assessment or, if the assessment is modified pursuant to
8 subsection (2)(b)(i), to less than 20% of the modified assessment.

9 (3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal
10 to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's
11 decision. When deciding an appeal brought under this subsection, the state tax appeal board shall follow
12 the provisions of subsections (2)(b) and (2)(c).

13 (4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial
14 review pursuant to 15-2-303."

15

16 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

17

-END-

1 HOUSE BILL NO. 87

2 INTRODUCED BY M. HANSON

3 BY REQUEST OF THE DEPARTMENT OF REVENUE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE REQUIREMENT THAT THE DEPARTMENT OF
6 REVENUE NOTIFY TAXPAYERS BY CERTIFIED MAIL WHEN THE DEPARTMENT PLANS TO ASSESS THE
7 PROPERTY OF A TAXPAYER WHO HAS REFUSED TO FURNISH INFORMATION; AMENDING SECTION
8 15-1-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11

12 **Section 1.** Section 15-1-303, MCA, is amended to read:

13 **"15-1-303. Penalty for refusal to furnish information.** (1) If a person refuses to allow inspection
14 of any books or records when requested by the department or refuses or neglects to furnish any information
15 called for by the department in the performance of its official duties relating to the assessment and taxation
16 of property, the department shall make a determination and assessment of the property as in its judgment
17 appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the
18 assessment as a penalty for the refusal or neglect. The department shall immediately notify the person
19 assessed of its action, either by ~~certified~~ mail or by personal service of the notice.

20 (2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following
21 remedies:

22 (a) Within 15 days after receipt of the assessment, the taxpayer may request an informal
23 conference with the department. At the conference, the taxpayer may present evidence in mitigation or
24 extenuation of the failure to supply the information requested by the department. Within 10 days after the
25 conference, the department shall notify the taxpayer by ~~certified~~ mail whether the assessment will be
26 modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation
27 or extenuation of the failure to supply the information sought by the department and if it finds that the
28 taxpayer did not willfully refuse to supply the information.

29 (b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to
30 the county tax appeal board within 20 days after receipt of the decision of the department. The county tax

REFERENCE BILL

1 appeal board has the authority to modify the:

2 (i) assessment only if it finds that the assessment exceeds 100% of the value of the property
3 specified in 15-8-111; and

4 (ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or
5 extenuation of the failure to supply the information that the department sought.

6 (c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not
7 reduce the penalty to less than 20% of the assessment or, if the assessment is modified pursuant to
8 subsection (2)(b)(i), to less than 20% of the modified assessment.

9 (3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal
10 to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's
11 decision. When deciding an appeal brought under this subsection, the state tax appeal board shall follow
12 the provisions of subsections (2)(b) and (2)(c).

13 (4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial
14 review pursuant to 15-2-303."

15

16 **NEW SECTION. Section 2. Effective date.** [This act] is effective on passage and approval.

17

-END-