

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>SB 1396</b>
<b>Version:</b>	<b>SUBPCS1</b>
<b>Author:</b>	<b>Rep. Hickman &amp; Sen. Mazzei</b>
<b>Date:</b>	<b>March 29, 2010</b>
<b>Impact:</b>	<b>Section 1, 2, &amp; 3: \$0</b>
	<b>Section 4: Administrative Savings for OTC</b>

**Bill Summary**

Research Analyst: Arnella Karges

The proposed subcommittee substitute for SB1396 adds a new section authorizing the Tax Commission to deduct a debt to a state agency and collection costs from the debtor's tax refund and transfer the amount to the appropriate authority. A debtor's notice, already required under current law, shall include notice that the claim information has been sent to the Tax Commission and the deduction has occurred. The measure provides for reimbursement procedures to the taxpayer.

The proposed subcommittee substitute includes the amendment of the definitions in the Streamlined Sales and Use Tax Administration Act by adding a definition for "Model 4 Seller" to mean a seller registered under the Sales and Use Tax Agreement as no other Model Seller. The measure also exempts future florists' sales from certain source location, so all florists' sales shall be sourced to their business location.

The proposed subcommittee substitute also modifies the definition of "specified tax return preparer" to match IRS Code; the modified term will apply to tax returns filed after December 31, 2010.

The Title remains stricken on the proposed subcommittee substitute for SB1396.

**Fiscal Summary**

Fiscal Analyst: Diane Thomas

The proposed subcommittee substitute for ESB 1396:

Section 1 includes striking the requirement for the Tax Commission (OTC) to notify an agency or the district court whether there are funds available to pay certain claims but instead requires OTC to deduct those claims, plus collection expenses from a tax refund and transfer the amount to the municipal court, district court or state agency. The section also includes other requirements related to final determination of the debt paid by tax refunds.

Sections 2 and 3 relates to the streamlined sales and use tax agreement and includes a provision that all sales by florists will be sourced to its business location.

Section 4 requires tax return preparers filing 10 or more returns to file all returns electronically beginning in tax year 2011.

### **Fiscal Analysis**

Section 1: The Tax Commission (OTC) states this section allows them to more efficiently comply with the provisions of HB 1800 enacted during the 2009 legislative session. There is no revenue or administrative impact associated with this section.

Section 2 and 3: There is no revenue or administrative impact associated with Sections 2 and 3.

Section 4: An estimated increased savings to OTS is anticipated as a result of this section.

### **Long Term Fiscal Considerations**

As stated above.

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director