

HCS SB 1394 -- TAX COLLECTION

SPONSOR: Vogel (Cooper, 120)

COMMITTEE ACTION: Voted "do pass" by the Committee on Tax Policy by a vote of 17 to 0.

Current law requires the Department of Revenue to notify each local taxing entity of a delinquency before turning the case over to the Attorney General for collection. Since the department automatically collects the delinquent local tax, this substitute changes the law to relieve the department from this requirement and mandates the department to include local taxes in its suit against a taxpayer.

The substitute will allow the department to offset any property tax credit refund against an income tax delinquency or a delinquency created by a property tax credit claim.

Revocation of a retail sales tax license is allowed for failure to pay employer withholding tax.

FISCAL NOTE: Estimated Income of \$5,386,019 to Unknown in FY 2005, Unknown in FY 2006, and Unknown in FY 2007. Estimated Income on Other State Funds of Unknown in FY 2005, FY 2006, and FY 2007.

PROPOSERS: Supporters say that \$27 million in withholding tax delinquencies exist with 20% to 40% collectible according to the Department of Revenue. The bill provides another tool to collect taxes already due.

Testifying for the bill were Senator Vogel; and Department of Revenue.

OPPOSERS: Those who oppose the bill say they are against the file and pay section.

Testifying against the bill were Missouri Chamber of Commerce and Industry; and Associated Industries of Missouri.

Karla Strobel, Legislative Analyst