

Assembly Hearing Slip

(Please print plainly)

Date: 9/11/99
BILL No. AB 402
Or
Subject
(Name) SENATOR KIM PLACHE
(Street Address or Route Number) ROOM 415 SOUTH
(City & Zip Code) STATE CAPITOL
(Representing) MADISON, WI 53702

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly.
Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 9/1/99
BILL No. AB 402
Or
Subject
(Name) FRANK LASEE
(Street Address or Route Number)
(City & Zip Code) Self
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 9/1
BILL No. AB 393 / AB 402
Or
Subject SB 49
(Name) Tom Ourada
(Street Address or Route Number) New York Herald
(City & Zip Code)
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

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Madison, WI 53702

Assembly Committee on Ways and Means

DATE _____

Moved by Lasee Seconded by M-T

AB 402 SB _____ Clearinghouse Rule _____

AJR _____ SJR _____

A _____ SR _____ Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

Passage

Introduction

Adoption

Rejection

Indefinite Postponement

Tabling

Concurrence

Nonconcurrence

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. Tom Sykora, vice-chair	2			
3.	Rep. Bob Goetsch	3			
4.	Rep. Mike Huebsch	4			
5.	Rep. Frank Lasee	5			
6.	Rep. John Ainsworth			1	
7.	Rep. Suzanne Jeskewitz	6			
8.	Rep. Carol Owens	7			
9.	Rep. Joan Spillner	8			
10.	Rep. Wayne Wood	9			
11.	Rep. John La Fave	10			
12.	Rep. Lee Meyerhofer	11			
13.	Rep. Johnie Morris-Tatum	12			
14.	Rep. Jeffrey Plale	13			
15.	Rep. Bob Turner	14			
16.	Rep. Bob Ziegelbauer	15			
	Totals	15	0	1	

MOTION CARRIED

MOTION FAILED


1999 - 2000 LEGISLATURE

1999 ASSEMBLY BILL 402 


July 8, 1999.- Introduced by Representatives F. Lasee, Miller, Olsen, Brandemuehl, Plouff, Goetsch, Pocan, Musser, Spillner, Albers, Hundertmark, Gunderson, Bock, Kreuser, Powers, Reynolds, Petrowski, Young, Turner, Huber, Boyle, Lassa and J. Lehman, cosponsored by Senators Plache, Roessler, Panzer, Wirch, Darling and Zien. Referred to Committee on Ways and Means.

Pg1Ln1 **An Act** to amend 71.92 (3) of the statutes; relating to: authorizing payment
Pg1Ln2 schedules for delinquent taxpayers who enter into a compromise with the
Pg1Ln3 department of revenue.

Analysis by the Legislative Reference Bureau


AB402 

Under current law, any taxpayer may petition the department of revenue (DOR) to compromise delinquent income or franchise taxes, including any applicable costs, penalties and interest. The petition must contain a sworn statement of the taxpayer, and DOR may examine the taxpayer under oath regarding the matter. If DOR determines that the taxpayer is unable to pay in full the amount due, based on an examination of the taxpayer's financial statements and any other information required by DOR, DOR is required to determine the amount that the taxpayer is able to pay. DOR is then required to enter an order reducing the taxes, costs, penalties and interest due in accordance with its determination. The compromise is effective only if it is paid within ten days.

AB402 

If within three years of the date of a compromise DOR determines that the taxpayer has an income or property sufficient to enable the taxpayer to pay the remainder of the tax, including costs, penalties and interest, DOR must reopen the matter and order the payment in full of such taxes, costs, penalties and interest. Before entering the order, however, DOR must provide the taxpayer with written notice advising the taxpayer of DOR's intention and fixing a time and place for the taxpayer to appear if the taxpayer desires a hearing. After entering the order, DOR is required to make a record of the principal amount of the taxes, and penalties, costs and interest, that are ordered to be paid and such taxes are immediately due, payable


and subject to interest.

AB402 

Under the bill, a compromise is effective if it is paid, in a lump sum, within ten days of the compromise or, a compromise is effective if it is paid within one year of the compromise if DOR agrees to a payment schedule. Also under the bill, DOR must reopen the matter within three years of the date of the final payment under a payment schedule and order full payment from the taxpayer if DOR determines that the taxpayer is able to pay the remainder of the tax and other costs.


For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

AB402, s. 1 

Pg2Ln1

Section 1. 71.92 (3) of the statutes is amended to read:

AB402, s. 1 - continued 

Pg2Ln2

Pg2Ln3

Pg2Ln4

Pg2Ln5

Pg2Ln6

Pg2Ln7

Pg2Ln8

Pg2Ln9

Pg2Ln10

Pg2Ln11

Pg2Ln12

Pg2Ln13

Pg2Ln14

Pg2Ln15

Pg2Ln16

Pg2Ln17

Pg3Ln1

Pg3Ln2

Pg3Ln3

Pg3Ln4

Pg3Ln5

71.92 (3) Any taxpayer may petition the department of revenue to compromise his or her delinquent income or franchise taxes including the costs, penalties and interest. ~~Such~~ The petition shall set forth a sworn statement of the taxpayer and shall be in ~~such~~ a form as ~~that~~ the department ~~shall prescribe~~ prescribes and the department may examine the petitioner under oath concerning the matter. If the department finds that the taxpayer is unable to pay the taxes, costs, penalties and interest in full it shall determine the amount the taxpayer is able to pay and shall enter an order reducing such taxes, costs, penalties and interest in accordance with ~~such~~ the determination. ~~Such~~ The order shall provide that ~~such~~ the compromise ~~shall be, if paid in a lump sum, is effective only if paid within 10 days or the order shall provide that the compromise is effective if paid within one year if the department agrees to set up a payment schedule.~~ shall provide that the compromise is effective if paid within one year if the department agrees to set up a payment schedule. The department or its collection agents upon receipt of ~~such~~ the order shall accept payment in accordance with the order. Upon payment of the total amount due under the order, the department shall credit the unpaid portion of the principal amount of such taxes and make appropriate record of the unpaid amount of penalties, costs, and interest accrued to the date of ~~such~~ the order. If within 3 years of the date of ~~such~~ the compromise order or the date of a final payment under a payment schedule, whichever is later, the department ~~shall ascertain~~ ascertains that the taxpayer has an income or property sufficient to enable the taxpayer to pay the remainder of the tax including costs, penalty and interest the department shall reopen ~~said~~ the matter and order the payment in full

Pg3Ln6
Pg3Ln7
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Pg3Ln14
Pg3Ln15
Pg3Ln16

of such taxes, costs, penalties and interest. Before the entry of ~~such~~ the order a notice shall be given to the taxpayer in writing advising of the intention of the department of revenue to reopen ~~such~~ the matter and fixing a time and place for the appearance of the taxpayer if the taxpayer desires a hearing. Upon entry of ~~such~~ the order the department of revenue shall make an appropriate record of the principal amount of ~~such~~ the taxes, penalties, costs and interest ordered to be paid and such taxes shall be immediately due and payable and shall thereafter be subject to the interest provided by s. 71.82 (2), and the department shall immediately proceed to collect the same together with the unpaid portion of penalty, costs, and interest accrued to the date of the compromise order.

(End)

Proposal Issue Page

For use at public hearings and any other forum of debate

Date 9-1

Proposal 402

Lead Author(s) Lasce

Pros:

Allow DOR the ability to extend 10-day repayment window to 1-year.

-> perhaps even ↑ money that is repayed.

Cons:



Frank Lasee

State Representative • 2nd Assembly District

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Representative Frank Lasee Testimony, Assembly Ways & Means Committee Wednesday, September 01, 1999

Please work to pass my bill, AB 402. This bill will make it easier for delinquent taxpayers to pay their back taxes, to encourage them to enter an agreement with the Wisconsin Department of Revenue (DOR).

Under current law, taxpayers who enter into an agreement with the DOR to pay delinquent taxes must make that payment within ten days of the agreement. My bill would allow taxpayers who enter an agreement with the DOR one year to pay the amount. This is done to encourage more people to enter payment agreements.

When someone owes a large amount of money to the state that they can't afford, the current ten-day limit discourages them from paying up, in fact, it encourages them to not pay and make the state find other legal methods to force them to pay. These legal expenses can get very costly for both the state and the accused taxpayer and can take years to settle. With a one-year payment plan, at least we're getting something back.

As of May 18th, 1999, delinquent taxpayers owe approximately \$764 million to the state of Wisconsin. The intent of this bill is to reduce that amount to a more reasonable level. I believe in lower taxes, but ultimately, it isn't right for one person to lower their own taxes by just not paying. We must make sure these people pay their fair share, so we don't have to pay it for them.

This bill currently has a strong, bipartisan backing from members in both houses. This bill has 15 Republican and 13 Democrat cosponsors in the Legislature. Including myself, that totals 29 of the 132 legislators have already signed on to support the bill and help pass it in their respective house of the legislature.

The current law is penny-wise but pound-foolish. Sure, it gets more back-taxes in ten days, but discourages long-term paybacks to the state. It's really just a question of smart policy versus dumb policy. One year is a reasonable amount of time in which to collect back-taxes.



BILL SUMMARY

AB 402: Payment Schedules for Delinquent Taxpayers

Date: January 26th, 2000

BACKGROUND

Under current law, taxpayers that enter into an agreement with the DOR to pay delinquent taxes must make that payment within ten days of the agreement.

SUMMARY OF AB 402

Assembly Bill 402 would modify current law to also allow taxpayers that owe large sums to arrange a payment schedule with DOR upon DOR's approval that would allow repayment over a time period of up to one year.

AMENDMENTS

No amendments were offered in committee, however, amendment LRB a0864/1 was prepared with the intention that the author would introduce the amendment on the floor. The amendment would remove the one-year limit on payment schedules and clarifies that any payment arrangement is subject to final approval by DOR.

FISCAL EFFECT

A fiscal estimate prepared by the Department of Revenue indicates that the legislation "may alter the timing of payments under compromises and, by providing a longer time period, may permit the payment of larger amounts under compromises. However, it is not expected to have a significant effect on state tax collections."

PROS

1. The bill allows greater flexibility for taxpayers to pay delinquent taxes.
2. It is possible that the legislation may allow state to increase recovery of delinquent taxes.

CONS

1. None apparent.

SUPPORTERS

Rep. Frank Lasee, author; Sen. Kim Plache, lead co-sponsor.

OPPOSITION

None

HISTORY

Assembly Bill 402 was introduced on 7-8-99, and referred to the Assembly Committee on Ways and Means. A public hearing was held on 9-1-99. On 10-13-99, the Committee voted 15-0 [Rep. Ainsworth absent] to recommend passage of AB 402.

CONTACT: Andrew Nowlan, Office of Rep. Michael Lehman