

AB927



WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director  
Laura D. Rose, Deputy Director

TO: REPRESENTATIVE MICHAEL LEHMAN  
FROM: William Ford, Senior Staff Attorney *WF*  
RE: Description of Unintroduced 2003 Assembly Bill \_\_ (LRB-0641/8)  
DATE: February 16, 2004

This memorandum, which was prepared at your request, describes LRB-0641/8 (the bill), an un-introduced Assembly bill that contains the following 10 unrelated provisions relating to taxes administered by the Department of Revenue (DOR).

**1. RULES FOR DETERMINING WHETHER, FOR WISCONSIN INCOME TAX PURPOSES, A RETIREMENT PLAN IS A QUALIFIED PLAN**

Under current law, only retirement plans that are "qualified plans" under the federal Internal Revenue Code are exempt from federal income taxation. The rules for determining whether a plan is a qualified plan also apply for the Wisconsin income tax, although there may be periods where state law is inconsistent with federal law due to delays in updating Wisconsin's reference to the most recent Internal Revenue Code.

Under this bill, a retirement plan would be deemed a qualified plan for state income tax purposes if it is a qualified plan under federal law for federal income tax.

**2. DOR AUTHORITY TO REDUCE NONDELINQUENT TAXES**

This bill authorizes the DOR to reduce taxes, interest, and penalty owed by a taxpayer, regardless of whether the amount owed is delinquent. Under current law, any taxpayer may petition DOR to reduce delinquent taxes, including any applicable costs, penalties, and interest. If DOR determines that the taxpayer is unable to pay in full the amount due, based on an examination of the taxpayer under oath, the taxpayer's financial statements, and any other information required by DOR, DOR determines the amount that the taxpayer is able to pay and then enters an order reducing the taxes, costs, penalties, and interest owed by the taxpayer.

If within three years from either the date on which DOR enters the order that reduces the

taxpayer's taxes or the date of the final payment according to a payment schedule determined by DOR, whichever is later, DOR determines that the taxpayer has an income or owns property that is sufficient to enable the taxpayer to pay the remainder of the original delinquent taxes, including costs, penalties, and interest, DOR must reopen the order and order the payment in full of such taxes, costs, penalties, and interest.

This bill expands current law so that DOR is authorized to reduce any taxes, costs, penalties, and interest that are due from a taxpayer, regardless of whether the taxes, costs, penalties, and interest are delinquent.

### **3. CLARIFICATION OF PROVISIONS TO PROTECT INNOCENT SPOUSES FROM INCOME TAX LIABILITIES**

This bill updates a cross-reference to the U.S. Internal Revenue Code so that federal provisions designed to protect innocent spouses clearly apply to Wisconsin income taxpayers. The reference under current law is to a provision of the U.S. Internal Revenue Code that no longer exists. This provision of the bill clarifies that Wisconsin taxpayers can follow the more lenient federal procedures that protect an innocent spouse from income tax liabilities that were created without their knowledge.

The bill also requires a spouse to claim protection under the innocent spouse provisions within two years from the date on which the DOR begins collection activities on the spouses tax liability or within two years from the effective date that this provision becomes law, whichever is later.

### **4. DOR MAY GRANT 30-DAY EXTENSION TO FILE TAX REPORT**

This bill authorizes DOR to grant employers an additional 30 days (from the January 31st requirement) to file a report reconciling all wages and withholding amounts for their employees.

### **5. REQUIREMENT TO REFUND SALES AND USE TAXES TO BUYER UNDER CERTAIN CIRCUMSTANCES**

This bill expands upon a current law provision that requires the refund of sales and use taxes improperly collected.

Under current law, if a seller makes a claim for a refund of sales taxes or use taxes and the claim is honored, the seller is required to pass along the refund and related interest to the buyers and to submit to DOR the portion of the refund that could not be passed on, along with a penalty. Under current law, if a seller receives a sales or use tax refund as the result of an audit, the seller is not required to submit the refund and related interest to the buyers. Also, a seller is not required to submit to the buyers sales or use taxes that are collected erroneously.

This bill requires a seller who receives any refund of sales or use taxes, or who collects sales or use taxes erroneously, to submit such a refund or taxes to the buyer, or to DOR if the buyer cannot be located, within 90 days after receiving a refund or after discovering that the seller has collected taxes erroneously. Any portion of a refund or taxes not submitted to the buyer, or to DOR if the buyer cannot be located, within that 90 days must be submitted to DOR, along with a penalty.

**6. DUE DATE SPECIFIED FOR ELECTRONICALLY FILED RETURNS TO BE CONSISTENT WITH FEDERAL LAW**

This bill would change the due date from April 15th to April 30th for Wisconsin state income tax returns that are filed electronically if the federal government (as it is currently considering) changes the due date to April 30th for federal income tax returns that are filed electronically.

**7. USE OF PRIVATE DELIVERY SERVICES**

Under current law, tax returns and reports are considered received on time if they are postmarked before midnight on the date they are due, received by DOR within five days of the due date and are mailed in a properly addressed, stamped envelope.

The bill provides that the conditions under which a document is considered timely received also apply if the document is delivered by a private delivery service that records electronically to its database, kept in the regular course of its business, or marks on the cover of the document the date it is to be delivered and the date on which the item was given to the private delivery service for delivery, as provided in s. 7502 (f) (2) (c) of the Internal Revenue Code.

**8. FLEXIBLE METHODS FOR PAYING, FILING AND AUTHENTICATING DOCUMENTS EXTENDED TO ALTERNATE FUELS AND TOBACCO PRODUCTS LAWS**

This bill would allow all of the methods used authorized under current law for filing income taxes and sales taxes, including electronic filing, payment by credit card and electronic funds transfer, to be used for the administration of both alternate fuels and tobacco products statutes.

**9. DOR MAY WAIVE ESTATE TAX INTEREST PAYMENTS UNDER CERTAIN CIRCUMSTANCES**

This bill would allow DOR to waive the 12% annual interest payment required for nonpayment of estate taxes when due, under circumstances where the tax liability is caused by the discovery of property omitted in the inventory of the estate's total assets or in the original tax determination, if the taxpayer used due diligence in determining the assets.

**10. EXEMPTION FROM TAX APPEALS COMMISSION FILING FEE EXTENDED TO APPEALS OF EARNED INCOME TAX CREDIT**

Under current law, an exemption from the \$25 filing fee required to be paid to the Tax Appeals Commission is provided for persons appealing DOR decisions regarding the farmland tax relief credit, the married persons credit, the community development finance credit, the homestead tax credit, and the farmland preservation tax credit.

This bill provides that the exemption also applies to appeals from DOR decisions regarding the earned income tax credit, which is the tax credit for lower income workers with children.

If you have any questions, please feel free to contact me directly at the Legislative Council staff offices.

Sen. Darling  
1st - Lassa

Sronemus  
Kreibich  
Albers  
Gielow  
Hahn  
Mussen

## Memorandum

To: All Legislators  
From: Rep. Michael Lehman  
Date: February 24, 2004  
Re: Co-Sponsorship, LRB 0641/8 Taxpayer Friendly Bill

The taxpayer friendly bill is just what it's name implies – a package of administrative changes that will greatly benefit a wide variety of taxpayers in Wisconsin. The bill has no fiscal effect, but will improve and streamline a number of administrative processes at the Department of Revenue.

These changes will help our constituents by:

- **More fairly assigning tax responsibility.** Changes to update Wisconsin law to conform with the Internal Revenue Code will eliminate restrictions that unfairly discriminate against low-income persons when they are applying for “innocent spouse” tax relief.
- **Granting quicker tax forgiveness.** Instead of having to wait until a tax bill becomes delinquent, DOR would have the ability to write off a tax debt when it is clear that the person has no ability to pay. This change will be especially helpful to the elderly in audit situations where they clearly cannot afford to pay.
- **Refunding taxes to consumers when no tax is owed.** Sellers would no longer be able to keep the sales taxes they've collected if it's discovered that they collected the tax from consumers when in fact no tax was due. Sellers would be required to either return the tax to consumers or send the money to the state if they can't locate the consumer.
- **Providing longer timeframe for filing reports.** DOR would be able to grant employers 30-day extensions to file wage and withholding reconciliation reports due on January 31<sup>st</sup> (a busy time for many employers).
- **Returning tax to customers when they are overcharged.** A seller would be required to refund sales tax to a buyer if the tax should not have been charged in the first place. Currently the seller can keep the tax.
- **Providing more flexible filing and payment options.** Options such as electronic funds transfer and credit card payment would be available for all tax types, not just a select few.

These are issues we've all received constituent complaints about. Although I to introduce this legislation this Friday, I do so with the knowledge that it will probably not advance through the legislative process during this Session. I intend to have this proposal drafted and introduced early in the 2005-06 Session.

**If you would like to co-sponsor this legislation, please contact my office at 267-2367, or respond to this e-mail by noon on Friday, February 27<sup>th</sup>.**



# State of Wisconsin • DEPARTMENT OF REVENUE

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*Jim Doyle*  
Governor

*Michael L. Morgan*  
Secretary of Revenue

March 9, 2004

The Honorable Mickey Lehman, Chair  
Assembly Ways & Means Committee  
Room 103 West – State Capitol  
Madison, WI

Dear Representative Lehman and Members of Ways and Means Committee:

I would like to take this opportunity to express my support for the “taxpayer friendly” bill (AB 927) and to provide a few quick facts for those of you who are not familiar with the bill.

This bill is just what it’s name implies – a package of administrative changes that will greatly benefit a wide variety of taxpayers in Wisconsin. The bill has no fiscal effect, but will improve and streamline a number of administrative tax processes, making life less taxing for many people who interact with the Department of Revenue.

These changes will help your constituents by:

- **More fairly assigning tax responsibility.** Changes to update Wisconsin law to conform with the Internal Revenue Code will eliminate restrictions that unfairly discriminate against low-income persons when they are applying for “innocent spouse” tax relief.
- **Granting quicker tax forgiveness.** Instead of having to wait until a tax bill becomes delinquent, DOR would have the ability to write off a tax debt when it is clear that the person has no ability to pay. This change will be especially helpful to the elderly in audit situations where they clearly can not afford to pay.
- **Providing longer timeframe for filing reports.** DOR would be able to grant employers 30-day extensions to file wage and withholding reconciliation reports due on January 31<sup>st</sup> (a busy time for many employers).
- **Returning tax to customers when they are overcharged.** A seller would be required to refund sales tax to a buyer if the tax should not have been charged in the first place. Currently the seller can keep the tax.
- **Providing more flexible filing and payment options.** Options such as electronic funds transfer and credit card payment would be available for all tax types, not just a select few.

I know you hear about some of these issues from your constituents -- so do my staff at DOR. Your support of this bill will help us all take some positive, cost-efficient steps to improve tax administration. I’ve also attached a detailed summary with more specific examples that highlight why the changes in AB 927 are needed.

Thank you again for your support.

Sincerely,

  
Michael L. Morgan  
Secretary of Revenue

Attachment

## AB 927 – Taxpayer Friendly Bill

March 9, 2004

### Reducing Nondelinquent Taxes – Help for Low-Income Persons

Under current law, any taxpayer can petition DOR to compromise (reduce) his or her delinquent taxes including the costs, penalties and interest if the person can not afford to pay. After reviewing financial statements and any other information related to the petition, the department can reduce the debt significantly.

The Taxpayer Friendly Bill would give DOR the authority to reduce the amount of nondelinquent taxes due to the state. The department would follow the same procedures for determining inability to pay regardless of whether an amount due is delinquent or not. This new flexibility would be especially helpful for those low-income individuals who have made an honest error in calculating taxes and find themselves unable to pay the amount they owe.

A good example of this is an elderly couple who discover that they have inadvertently been claiming a large Homestead Tax Credit for several years. The couple may live on a fixed income and be unable to pay back the credits they have been claiming (perhaps over \$4,000 in total for the 4 years DOR can assess in audits). While their inability to pay may be clear to all, current law does not allow DOR to write off the debt for these taxpayers until it becomes delinquent. Owing delinquent taxes is often a traumatic event for the elderly, and making an early determination of inability to pay is much more efficient for DOR. The Taxpayer Friendly Bill would allow DOR to reduce write off the debt for this couple as soon as it was clear they could not afford to pay.

### Protecting Innocent Spouses

Married persons filing a joint income tax return are both liable for payment of taxes related to the return. But in situations where one spouse is hiding income or otherwise misrepresenting the couple's finances on the tax return, DOR can grant "innocent spouse relief" to the other spouse under certain conditions.

DOR's ability to grant this type of relief is tied to the federal Internal Revenue Code, and the Code was updated several years ago to make it much easier to obtain relief. DOR would like to adopt these new federal standards as part of the Taxpayer Friendly Bill.

Easing current restrictions on innocent spouse relief will make the law more simple and more fair. Current law contains minimum dollar thresholds for relief that are arbitrary and discriminate against low income persons. Right now, one spouse would have to understate income that results in at least \$500 in tax before the "innocent" spouse can be granted relief. The law DOR is proposing would eliminate this limit. The update will make relief from Wisconsin taxes more widely available and more equitable.

The new federal law also allows the innocent spouse to elect separate tax liability even though they have filed a joint tax return. This option, not available under current law, can completely wipe out the tax liability for the innocent spouse in many circumstances.

### Seller Required to Refund Sales or Use Tax to Buyer

The Taxpayer Friendly Bill requires a seller to refund sales tax to a buyer if the tax should not have been charged in the first place and imposes a penalty when refunds aren't made on time. Current law contains this requirement when the seller is applying for a refund from DOR for taxes collected in error, but the law does not require the seller to return the tax in two other common situations – when the error is discovered as a result of an audit, or when the tax collected in error has never been sent to DOR.

Without such a requirement, the seller profits while the buyer has no recourse to get the sales tax it paid in error back from the seller or DOR. Right now, if a phone company collects sales tax from its customers on a non-taxable service (such as 911 service) and as part of an audit DOR refunds the tax to the phone company, the company is not required to return the tax to its customers. Customers may never know they were overcharged, so they are not able to file a claim for refund.

The Taxpayer Friendly bill would also require the seller to return the tax to the state if they are not able to locate the buyer and return the tax.

A similar provision of the bill would protect real property construction contractors and other service providers who inadvertently impose sales tax on non-taxable real property improvements (for example, kitchen cabinet installation). Because of the complicated nature of sales and use tax laws for contractors, it is not unusual for contractors to charge sales tax when none is due. The bill allows contractors to subtract any amount of tax they may owe on materials used in a job from any amount they are required to refund to the buyer because tax was collected when it wasn't due.

### 30 Day Extension for Filing a Withholding Report

Prior to 1999, DOR was able to grant employers 30-day extensions to file required reports reconciling all wages and withholding for their employees. The report is due to DOR annually on January 31<sup>st</sup>, a hectic time of the year for many employers. A provision of 1997 Act 291 inadvertently removed DOR's ability to grant extensions. The Taxpayer Friendly Bill would restore this flexibility.

### Permit Use of Private Delivery Services

Current law provides that tax returns and other documents are considered received on time if they are:

- postmarked before midnight on the day they are due,
- received by DOR within 5 days of the deadline, and
- mailed in a properly addressed envelope with postage prepaid.

The law now requires that to receive this "safe harbor" treatment, a document must be mailed using the U.S. Postal Service.

The Taxpayer Friendly bill would allow the use of private delivery services (Federal Express and UPS) in addition to the U.S. Postal Service for purposes of receiving "safe harbor" treatment.



### Allow More Flexible Methods for Paying, Filing and Authenticating

For most taxes and reports, DOR has the authority to allow a variety of methods for paying taxes, filing reports and authenticating documents (other than paper tax returns and paper checks for payment). This flexibility was added throughout DOR tax statutes in 1997 Act 27 and has provided a broad range of options, including electronic filing, payment by credit card and electronic funds transfer.

The changes were overlooked in two chapters of the statutes, however. The Taxpayer Friendly Bill would give DOR the flexibility to allow more methods of paying, filing and signing documents defined in the Alternate Fuels and Tobacco Products chapters of the statutes. New definitions of "pay" and "sign" would be added to s. 78.39 and s. 139.75.

### Estate Tax – Waiver of Interest and Clarification of Credit Status

Under current law, all Wisconsin estate tax that is not paid on the date it is due is assessed interest at the rate of 12% per year from the date of death of the decedent. Occasionally, after an estate tax return is filed or the estate is closed, there will be a discovery of an asset owned by the decedent that was not reported in the inventory of the estate, or on the estate tax return.

The Taxpayer Friendly Bill would allow DOR to waive the interest imposed on estate taxes related to assets not initially reported if the person filing the initial tax return had exercised "due diligence" in filing that initial return. Currently the estate must petition the circuit court to reduce or waive interest. The bill would provide a streamlined option for waiving interest.

The bill also makes a technical clarification to Wisconsin statutes so that it is clear that the amount of Wisconsin estate tax is equal to the credit allowed (for the state death tax credit) against the federal estate tax imposed on the transfer of property, regardless of whether the taxpayer claims the credit on the federal estate tax return. This is currently the way DOR administers the estate tax.

### Due Date for Electronically Filed Returns

Under current law, all individual income tax returns are due to the Department of Revenue on April 15<sup>th</sup>. Under the Taxpayer Friendly Bill the due date for e-filed returns would be extended to April 30<sup>th</sup> if the federal government makes the same change for e-filed federal individual income tax returns. The federal government is currently considering such a change.

### Qualified Retirement Systems

The Taxpayer Friendly Bill clarifies that if a retirement system satisfies all current federal pension laws and is exempt from federal income tax, then it would be deemed a qualified Wisconsin retirement system as well and would be exempt from Wisconsin state income tax.

This change would prevent DOR from having to determine – in situations where the state failed to conform to federal pension regulations – whether or not retirement systems following federal law and thus exempt from federal tax are subject to Wisconsin income tax.

### Exception for Earned Income Tax Credit Appeals from Filing Fee

This provision would grant an exception to the \$25 filing fee paid to the Tax Appeals Commission for those people who are appealing DOR's decisions on their Earned Income Tax Credit (EITC). Current law already provides this exception from the fee for those who are appealing decisions regarding Farmland Tax Relief Credit, Married Persons Credit, Community Development Finance Credit, Homestead Tax Credit and Farmland Preservation Tax Credit.

If state law provides exceptions to the Tax Appeals Commission filing fee, it would make sense to provide this exception to those who claim the EITC, a credit for lower income workers with children.



# **JULIE LASSA**

## **STATE SENATOR**

**Testimony by Senator Julie Lassa**  
**Assembly Bill 927**  
**March 9, 2004**

I am writing in support of Assembly Bill 927.

Assembly Bill 927 makes improvements to Wisconsin tax collection procedures that will make tax collection more fair and efficient. The bill builds on Wisconsin's Taxpayer Bill of Rights. The federal government and several states began implementing taxpayer bills of rights in the late 1980s in response to overly aggressive tax collection techniques that sometimes amounted to harassment.

The federal and Wisconsin Taxpayer Bill of Rights provide a variety of protections for taxpayers including:

- Allowing a taxpayer to be represented by an accountant or lawyer at an interview with the Internal Revenue Service or Department of Revenue
- Allowing a taxpayer to tape record such an interview
- Allowing a taxpayer to pay overdue taxes or penalties in installments, if doing so will facilitate collection of the money due
- Protecting the assets of an innocent spouse from tax liability incurred by the other spouse

The bill includes fairness measures, such as updating the innocent spouse provision, requiring that sellers return refunded sales taxes to the buyer who paid them, and allowing employers extensions to file wage and withholding reports. It also includes efficiency measures such as allowing DOR to negotiate payment plans with taxpayers who have financial difficulties before the taxpayer is delinquent. These improvements will assist individual taxpayers and will ultimately help the state collect revenue by making it easier for taxpayers to pay.

A representative from the Department of Revenue will provide details on the fairness and efficiency provisions in this bill.

Thank you for your attention to my testimony.

AB-927  
**DOR's Taxpayer Friendly Bill**  
**Tax and Administrative Relief for Wisconsin Residents**

2003 Session LRB 0641/8

Reducing Nondelinquent Taxes – Help for Low-Income Persons

Under current law, any taxpayer can petition DOR to compromise (reduce) his or her delinquent taxes including the costs, penalties and interest if the person can not afford to pay. After reviewing financial statements and any other information related to the petition, the department can reduce the debt significantly.

The Taxpayer Friendly Bill would give DOR the authority to reduce the amount of nondelinquent taxes due to the state. The department would follow the same procedures for determining inability to pay regardless of whether an amount due is delinquent or not. This new flexibility would be especially helpful for those low-income individuals who have made an honest error in calculating taxes and find themselves unable to pay the amount they owe.

A good example of this is an elderly couple who discover that they have inadvertently been claiming a large Homestead Tax Credit for several years. The couple may live on a fixed income and be unable to pay back the credits they have been claiming (perhaps over \$4,000 in total for the 4 years DOR can assess in audits). While their inability to pay may be clear to all, current law does not allow DOR to write off the debt for these taxpayers until it becomes delinquent. Owing delinquent taxes is often a traumatic event for the elderly, and making an early determination of inability to pay is much more efficient for DOR. The Taxpayer Friendly Bill would allow DOR to reduce write off the debt for this couple as soon as it was clear they could not afford to pay.

Protecting Innocent Spouses

Married persons filing a joint income tax return are both liable for payment of taxes related to the return. But in situations where one spouse is hiding income or otherwise misrepresenting the couple's finances on the tax return, DOR can grant "innocent spouse relief" to the other spouse under certain conditions.

DOR's ability to grant this type of relief is tied to the federal Internal Revenue Code, and the Code was updated several years ago to make it much easier to obtain relief. DOR would like to adopt these new federal standards as part of the Taxpayer Friendly Bill.

Easing current restrictions on innocent spouse relief will make the law more simple and more fair. Current law contains minimum dollar thresholds for relief that are arbitrary and discriminate against low income persons. Right now, one spouse would have to understate income that results in at least \$500 in tax before the "innocent" spouse can be

granted relief. The law DOR is proposing would eliminate this limit. The update will make relief from Wisconsin taxes more widely available and more equitable.

The new federal law also allows the innocent spouse to elect separate tax liability even though they have filed a joint tax return. This option, not available under current law, can completely wipe out the tax liability for the innocent spouse in many circumstances.

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Without such a requirement, the seller profits while the buyer has no recourse to get the sales tax it paid in error back from the seller or DOR. Right now, if a phone company collects sales tax from its customers on a non-taxable service (such as 911 service) and as part of an audit DOR refunds the tax to the phone company, the company is not required to return the tax to its customers. Customers may never know they were overcharged, so they are not able to file a claim for refund.

The Taxpayer Friendly bill would also require the seller to return the tax to the state if they are not able to locate the buyer and return the tax.

A similar provision of the bill would protect real property construction contractors and other service providers who inadvertently impose sales tax on non-taxable real property improvements (for example, kitchen cabinet installation). Because of the complicated nature of sales and use tax laws for contractors, it is not unusual for contractors to charge sales tax when none is due. The bill allows contractors to subtract any amount of tax they may owe on materials used in a job from any amount they are required to refund to the buyer because tax was collected when it wasn't due.

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The Taxpayer Friendly bill would allow the use of private delivery services (Federal Express and UPS) in addition to the U.S. Postal Service for purposes of receiving “safe harbor” treatment.

### Allow More Flexible Methods for Paying, Filing and Authenticating

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The changes were overlooked in two chapters of the statutes, however. The Taxpayer Friendly Bill would give DOR the flexibility to allow more methods of paying, filing and signing documents defined in the Alternate Fuels and Tobacco Products chapters of the statutes. New definitions of “pay” and “sign” would be added to s. 78.39 and s. 139.75.

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The Taxpayer Friendly Bill would allow DOR to waive the interest imposed on estate taxes related to assets not initially reported if the person filing the initial tax return had exercised “due diligence” in filing that initial return. Currently the estate must petition the circuit court to reduce or waive interest. The bill would provide a streamlined option for waiving interest.

The bill also makes a technical clarification to Wisconsin statutes so that it is clear that the amount of Wisconsin estate tax is equal to the credit allowed (for the state death tax credit) against the federal estate tax imposed on the transfer of property, regardless of whether the taxpayer claims the credit on the federal estate tax return. This is currently the way DOR administers the estate tax.

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#### Qualified Retirement Systems

The Taxpayer Friendly Bill clarifies that if a retirement system satisfies all current federal pension laws and is exempt from federal income tax, then it would be deemed a qualified Wisconsin retirement system as well and would be exempt from Wisconsin state income tax.

This change would prevent DOR from having to determine – in situations where the state failed to conform to federal pension regulations – whether or not retirement systems following federal law and thus exempt from federal tax are subject to Wisconsin income tax.

#### Exception for Earned Income Tax Credit Appeals from Filing Fee

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If state law provides exceptions to the Tax Appeals Commission filing fee, it would make sense to provide this exception to those who claim the EITC, a credit for lower income workers with children.

## Taxpayer Friendly – possible co-sponsorship memo paragraphs

Please take a moment to review the attached summary of the “taxpayer friendly” bill and consider co-sponsoring this bill with me.

The taxpayer friendly bill is just what it’s name implies – a package of administrative changes that will greatly benefit a wide variety of taxpayers in Wisconsin. The bill has no fiscal effect, but will improve and streamline a number of administrative processes at the Department of Revenue.

These changes will help our constituents by:

- **More fairly assigning tax responsibility.** Changes to update Wisconsin law to conform with the Internal Revenue Code will eliminate restrictions that unfairly discriminate against low-income persons when they are applying for “innocent spouse” tax relief.
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