DEPARTMENT OF TAXATION
2002 Fiscal Impact Statement

1. Patron: Howell

2. Bill Number: HB 316

House of Origin:

  X   **Introduced**

       Substitute

       Engrossed

3. Committee: House Finance

Second House:

       In Committee

       Substitute

       Enrolled

4. Title: Commissioners of the Revenue; Authority to Summons

5. Summary/Purpose:

This bill would provide that commissioners of the revenue may not summons any person other than the taxpayer to answer, under oath, questions regarding the tax liability of the taxpayer unless the desired information has first been sought and cannot be obtained from the taxpayer. Currently, commissioners of the revenue may summons any person to answer questions regarding the tax liability of any specifically identified taxpayer without first attempting to obtain the information from the taxpayer.

Additionally, this bill would provide that no person other than the taxpayer may be convicted of the crime of refusing to answer questions or furnish records or other information regarding a taxpayer or exhibit property subject to assessment by the commissioner of the revenue unless the person has willfully failed to comply with a summons properly issued by the commissioner of the revenue. Under current law, any person who so refuses to cooperate with the commissioner of the revenue can be convicted of a Class 3 misdemeanor, regardless of whether or not a summons has been issued.

The effective date of this bill is not specified.

6. No Fiscal Impact.

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill has no impact on state or local revenues.

9. Specific agency or political subdivisions affected:

All localities

10. Technical amendment necessary: No.

11. Other comments:

This bill would require commissioners of the revenue to seek information regarding the tax liability of a taxpayer from the taxpayer prior to issuing a summons to any other person.

c: Secretary of Finance

Date: 1/15/02/JEM

Document: S:\2002leg\WorkInProcess\OTPwork\House Bills\HB0316F161.doc