

# DEPARTMENT OF TAXATION

## 2004 Fiscal Impact Statement

1. **Patron** R. Lee Ware, Jr.

2. **Bill Number** HB 298

3. **Committee** Senate Finance

**House of Origin:**

           **Introduced**

           **Substitute**

           **Engrossed**

4. **Title** Local Taxation: Application for License or  
Permit when an Appeal is Pending

**Second House:**

  X   **In Committee**

           **Substitute**

           **Enrolled**

**5. Summary/Purpose:**

This bill would prohibit localities from denying licenses and permits to taxpayers who have not paid local taxes, penalties and interest that are the subject of a pending appeal.

The effective date of this bill is not specified.

**6. No Fiscal Impact.**

7. **Budget amendment necessary:** No.

**8. Fiscal implications:**

This bill would have no impact on state revenues.

**9. Specific agency or political subdivisions affected:**

All localities

10. **Technical amendment necessary:** No.

**11. Other comments:**

Under current law, localities may refuse to issue a license or a permit to a taxpayer that owes taxes, penalties and interest, even if the taxpayer has filed an administrative appeal of these assessments. This bill would prohibit localities from withholding the issuance of licenses and permits to:

- Taxpayers who have not paid a local tax assessment that is the subject of a pending appeal to the local commissioner of the revenue or the circuit court.

- Taxpayers who have appealed a final local determination of an assessment of machinery and tools tax, the merchants' capital tax and the business tangible personal property tax (the "Local Business Taxes"), the business, professional and occupational license ("BPOL") tax or tangible personal property taxes on airplanes, boats, campers, recreational vehicles and trailers to the Tax Commissioner.
- Taxpayers who are in the process of seeking correction or equalization of a local real property tax assessment.

This bill would also apply in those instances when the local governing board takes exception to a correction of an assessment made by the commissioner of the revenue, and applies to the circuit court for a review of the action taken by the commissioner of the revenue.

This bill would not apply to the issuance of local vehicle licenses when an applicant owes any local vehicle license fees or delinquent personal property tax. In these instances, localities would be able to withhold the issuance of these licenses.

c: Secretary of Finance

Date: 2/23/2004/JEM