

HB

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SENATE FINANCE COMMITTEE REPORT

DATE: 5/6/90

FURTHER:

DATE TURNED INTO OFFICE: 5/8/90

The Finance Committee considered
Guidelines for litigation settlement

CSHB 541 (Finance)

and recommended:

- replace with 5 CS CSHB 541 (Fin)
- or adopt _____ CS _____
- attached amendment(s)
- _____ letter of intent adopted

- same title
- new title
- technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____
LAA 106.3

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

1. John B. ...

2. _____

Adopted

FISCAL NOTE

CC

REQUEST:

Revision Date: _____
Title: Act Relating to Oil
and Gas Litigation and Settlement
Sponsor: Rep. Cotten, Navarre

Affected Agency: Legislative Audit Division
BRU: Legislative Budget and
Audit Committee
Components: Legislative Audit Division

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
Personal Services	106.3	109.7	112.6	116.2	119.5	123.3
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	106.3	109.7	112.6	116.2	119.5	123.3

CAPITAL						
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REVENUE						
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	106.3	109.7	112.6	116.2	119.5	123.3
Federal Fund						
Other						
TOTAL	106.3	109.7	112.6	116.2	119.5	123.3

POSITIONS:

Full-Time	2	2	2	2	2	2
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By: Randy Welker *Randy Welker* Phone: 465-3830
Division: Division of Legislative Audit Date: 4/18/90

Approved By: _____ Date: _____
Agency: _____

**DISTRIBUTION
LEGISLATIVE
LEGISLATIVE :**

Changes in SCS CS HB 541 (FA)
have no fiscal impact.
This fiscal note is
appropriate. 5/8/90 *ml*

**REQUESTOR
OFFICE OF MANAGEMENT & BUDGET
AGENCY(IES)**

Original sponsor(s): REP. COTTEN, Navarre, Davidson, Gruenberg, Boyer,
Sharp

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 541 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain agreements, compromises,
7 and settlements entered into by the Departments of
8 Natural Resources and Revenue; to legislative audit
9 of those departments and the release of a report of
10 the audits, that may include or refer to confidential
11 information, to the legislature and public; and to
12 collection and payments of royalties from state
13 resources, the interest rate on unpaid taxes and
14 royalties from state resources, and the interest rate
15 on overpaid taxes."

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

17 * Section 1. AS 24.20.271 is amended to read:

18 Sec. 24.20.271. POWERS AND DUTIES. The legislative audit divi-
19 sion shall

20 (1) conduct a performance post-audit of boards and com-
21 missions designated in AS 44.66.010 and of those programs and activ-
22 ities of agencies subject to termination as determined in the manner
23 set out in AS 44.66.020 and 44.66.030, and submit the audit, together
24 with a written report, not later than the first day of the regular
25 session of the legislature convening in each year set out with refer-
26 ence to boards, commissions, or agency programs whose activities are
27 subject to termination as prescribed in AS 44.66;

28 (2) audit at least once every three years the books and
29 accounts of all custodians of public funds and all disbursing officers

1 of the state;

2 (3) at the direction of the Legislative Budget and Audit
3 Committee, conduct performance post-audits on any agency of state
4 government;

5 (4) cooperate with state agencies by offering advice and
6 assistance as requested in establishing or improving the accounting
7 systems used by state agencies;

8 (5) require the assistance and cooperation of all state
9 officials and other state employees in the inspection, examination,
10 and audit of state agency books and accounts;

11 (6) have access at all times to the books, accounts, re-
12 ports, or other records, whether confidential or not, of every state
13 agency;

14 (7) ascertain, as necessary for audit verification, the
15 amount of agency funds on deposit in any bank as shown on the books of
16 the bank; a [NO] bank may not be held liable for making information
17 required under this paragraph available to the legislative audit
18 division;

19 (8) complete studies and prepare reports, memoranda, or
20 other materials as directed by the Legislative Budget and Audit Com-
21 mittee;

22 (9) have direct access to any information related to the
23 management of the University of Alaska and have the same right of
24 access as exists with respect to every other state agency;

25 (10) periodically

26 (A) conduct a performance audit of the tax functions
27 of the Department of Revenue; and

28 (B) submit the audit to the legislature not later than
29 the first day of the next regular legislative session;

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(11) annually

(A) conduct an audit of the resolution of disputed royalties by the Department of Natural Resources and the resolution of disputed taxes by the Department of Revenue under AS 43.05.060 and 43.05.070; and

(B) prepare a report summarizing the results of the audit and submit the audit and the report to the legislature not later than the first day of the next regular legislative session; the legislative auditor may disclose information made confidential by AS 43.05.230 to a committee of the legislature meeting in executive session if the committee has adopted procedures to protect the confidentiality of the information.

* Sec. 2. AS 38.05.035 is amended by adding new subsections to read:

(g) If the department enters into negotiations to compromise or settle a dispute between the department and a person as to a royalty or net profit payment involving a claim that totals, with applicable interest, \$10,000,000 or more, the commissioner shall, not later than 14 days after commencement of negotiations, advise the governor that negotiations have commenced, and shall provide notice to the governor at least once during each subsequent 30-day period that the negotiations continue.

(h) If the department proposes to compromise or settle a dispute between the department and a person as to a royalty or net profit payment involving a claim that totals, with applicable interest, \$10,000,000 or more, the commissioner may not enter into an agreement to compromise or settle the dispute without first reviewing the proposed compromise or settlement with the governor.

(i) The commissioner may not enter into a settlement or compromise of a dispute between the department and a person as to a royalty

1 or net profit payment if the settlement or compromise provides that
2 information relevant to the settlement or compromise, or the terms of
3 the settlement or compromise, are confidential beyond the confiden-
4 tiality otherwise provided for by law.

5 (j) The commissioner shall maintain for review full documenta-
6 tion of a settlement or compromise of a dispute between the department
7 and a person as to a royalty or net profit payment.

8 * Sec. 3. AS 38.05.145 is amended by adding a new subsection to read:

9 (c) Payment of the royalty to the state under the provisions of
10 AS 38.05.145 - 38.05.181 becomes due on the date and in the manner
11 specified in the lease or in a regulation adopted by the commissioner,
12 and, if not paid when it becomes due, bears interest at the rate
13 specified in the royalty agreement or as otherwise provided by law.

14 * Sec. 4. AS 43.05.060 is amended by adding new subsections to read:

15 (b) If the department enters into negotiations to resolve a tax
16 dispute between the department and a taxpayer involving a claim that
17 totals, with applicable penalty and interest, \$10,000,000 or more, the
18 commissioner shall, not later than 14 days after commencement of
19 negotiations, advise the governor that negotiations have commenced,
20 and shall provide notice to the governor at least once during each
21 subsequent 30-day period that the negotiations continue.

22 (c) If the department proposes to enter into an agreement under
23 (a) of this section to resolve a tax dispute between the department
24 and a taxpayer involving a claim that totals, with applicable penalty
25 and interest, \$10,000,000 or more, the commissioner may not enter into
26 the agreement without first reviewing the proposed agreement with the
27 governor.

28 (d) In making an agreement under (a) of this section, neither
29 the department nor the attorney general may agree that information

1 relevant to the agreement, or the terms of the agreement, are confi-
2 dential beyond the confidentiality otherwise provided for by law. The
3 department must maintain for review full documentation of the agree-
4 ment.

5 * Sec. 5. AS 43.05.070 is amended by adding new subsections to read:

6 (c) If the department enters into negotiations to compromise or
7 settle a tax dispute between the department and a taxpayer involving a
8 claim that totals, with applicable penalty and interest, \$10,000,000
9 or more, the commissioner shall, not later than 14 days after com-
10 mencement of negotiations, advise the governor that negotiations have
11 commenced, and shall provide notice to the governor at least once
12 during each subsequent 30-day period that the negotiations continue.

13 (d) If the department proposes to compromise or settle a tax
14 dispute between the department and a taxpayer involving a claim that
15 totals, with applicable penalty and interest, \$10,000,000 or more, the
16 commissioner may not enter into the agreement without first reviewing
17 the proposed compromise or settlement agreement with the governor.

18 (e) In compromising a tax or penalty under this section, neither
19 the department nor the attorney general may agree that information
20 relevant to the compromise, or the terms of the compromise, are confi-
21 dential beyond the confidentiality otherwise provided for by law. The
22 department must maintain for review full documentation of the compro-
23 mise.

24 * Sec. 6. AS 43.05.225 is amended to read:

25 Sec. 43.05.225. INTEREST ON TAXES. Unless otherwise provided,
26 when a tax levied in this title is not paid on or before the date
27 prescribed for its payment, [BECOMES DELINQUENT] it bears interest at
28 the rate of 12 percent a year.

29 * Sec. 7. AS 43.05.280(a) is amended to read:

1 (a) Simple interest [INTEREST] shall be allowed and paid on any
2 overpayment of a tax under this title at the rate prescribed in
3 AS 43.05.225.
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STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 8, 1990

SUBJECT: SCS CSHB 541 (Finance) "C" version
TO: Senator Drue Pearce
FROM: Jack Chenoweth
Legislative Counsel

The subject of the legislation is administration of certain of the state's revenue laws.

The measure now before the Senate Finance Committee for consideration addresses the following:

The key provisions of this bill are bill section 2, applicable to disputed royalties, and bill sections 4 and 5, applicable to disputed taxes. These are parallel provisions. In summary, if the royalty or tax dispute involves \$10 million or more, penalty and interest included, and negotiations to resolve, compromise, or settle the dispute are undertaken, the responsible commissioner (Natural Resources for royalties, Revenue as to taxes)

- (1) must advise the governor within 14 days that negotiations have commenced, and keep the governor advised at 30 day intervals;
- (2) must present to and review with the governor the proposed resolution, compromise, or settlement before affixing signature;
- (3) may not enter into a resolution, compromise, or settlement agreement if that agreement extends confidentiality as to information in or the terms of the agreement beyond what is authorized by law;
- (4) must maintain the pertinent records of the resolution, compromise, or settlement agreement available for review.

Senator Drue Pearce
Page 2
May 8, 1990

Bill section 1 amends the duties of the legislative auditor

(1) to require that official to periodically conduct performance audits of the tax functions of the Department of Revenue, and to report those audits during the next legislative session [page 2, lines 25 - 28]; and

(2) to require completion of annual audits of royalty and tax disputes and reporting them to legislative committees in executive session with appropriate safeguards to protect confidentiality [page 3, lines 1 - 12].

Bill section 3, applicable to interest due on delinquent royalty, spells out that a royalty payment "becomes due on the date and in the manner specified in the lease or [applicable] regulation" [page 4, lines 10 - 11] and that, if not paid when due, draws interest as provided in the royalty agreement or otherwise as provided by law [page 4, line 11 - 13].

Bill section 6, applicable to interest due on delinquent taxes, makes a technical drafting change.

Bill section 7, applicable to interest payable by the state on overpaid taxes, clarifies that the interest payable is simple interest.

JC:mi
wkmi6/094

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

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JC:mi
wkmi6/094



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P.O. Box Y, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

April 3, 1989

MEMORANDUM

TO:

ATTN:

FROM: Ginny Fay *GF*
Legislative Analyst

RE: Incentives to Settle Outstanding Corporate Tax Liabilities
Research Request 89.328

You requested information regarding procedures in other states to encourage settlement of state income tax liabilities. You are interested in changing Alaska's collection, interest, and penalties procedures for businesses that are deficient in paying their state income taxes. You asked that we discuss means of accomplishing this in light of practices at the federal level and in other states. Additionally, you wanted to know if other states have special tax courts and/or administrative judges to handle tax liability cases. You asked if other states required or allowed prepayment of liabilities pending the outcome of tax litigation. You are particularly interested in California's constitution and statutes that require prepayment of any disputed tax liabilities.

The major conclusions reached in this memorandum are that the Alaska Legislature could encourage prompt settlement of tax deficiencies by changing AS 43.05.225 to specify an interest rate greater than the present 12 percent simple interest charge. Interest could be tied to a floating financial indicator--such as the short-term Treasury Bill rate or Prime rate charged by major banks--plus some premium (perhaps three to five percent). Doing so would ensure that a business owing the state back-taxes does not receive use of its tax deficiency at a below market rate of interest. Alternatively, Alaska could adopt a procedure similar to California, where any disputed tax liabilities must be prepaid in order to have judicial standing.

Further incentive could be provided by charging compound interest on the outstanding deficiency (including penalties and interest charges). Presently, a business can pay off the principal of a deficiency owed the state and indefinitely appeal its case in court without paying any interest on outstanding penalty or interest charges. A compound interest provision could discourage this practice. Another incentive would be to specify that penalty and interest charges must be paid before the principal of the deficiency can be reduced.

Interest Rate and Penalty Schedules

Alaska Statute 43.05.225 specifies a 12 percent (simple) interest rate to be charged on delinquent taxes. AS 43.05.220 assigns an additional civil penalty of five percent of the delinquency per month for failure pay taxes or file the proper forms. The penalty may not exceed 25 percent of the outstanding deficiency. Interest and penalty charges begin to accrue from the due date of the return (in cases of failure to file) or from the date the return is filed (in cases of underpayment of taxes). Conversely, the state is required to begin paying 12 percent annual interest on any overpayment of corporate income taxes if the taxpayer does not receive a return within 90 days of filing. None of the national tax organizations we contacted were able to supply a central compilation of interest and penalty charges in other states.

90
DAY RATE
+ 3%
+ 2%

The Internal Revenue Service (IRS) charges a variable interest rate on delinquent taxes based on the short-term federal Treasury Bill rate for a given quarter. For deficiencies, the rate charged is the 90 day T-Bill rate plus three percentage points. For overpayments (refunds), it is the T-Bill rate plus two points. The IRS date of claim provisions are the same as Alaska's. (Attachment A is House Research Agency memorandum 87.313, which includes copies of the relevant Alaska and federal laws.) Alaska is a signatory to the federal Tax Economic Fiscal Responsibility Act (TEFRA), which allows the state's Department of Revenue (DOR) to adopt most provisions of the IRS Tax Code. Alaska's treatment of deficiencies and refunds is an obvious departure from the IRS approach.

According to Carl Meyer, DOR chief of Audit Appeals, one factor that acts as a disincentive for prompt settlement and payment of outstanding tax deficiencies is the simple interest rate charged by the state. A taxpayer must appeal a state assessment of tax deficiency within 60 days of the mailing date of the department's notice of action (see Attachment B for details of the appeals procedure). Once a request for appeal is filed, it is common for a corporation to pay off the principal of the deficiency pending the outcome of the appeal process.

The problem with this is that the state's assessment of back-taxes (following an audit) generally occurs several months after the company has filed its return. Thus, a delinquent taxpayer owes the principal of the deficiency as well as interest accrued and any penalty charges assessed by the DOR.¹ Under

¹In Alaska, corporations are required to prepay their estimated tax liability on a quarterly basis. Corporations may file for an extension of up to six months on their annual return deadline. If a subsequent DOR audit reveals that the corporation prepaid less than 90 percent of its annual tax liability, DOR assesses a penalty of up to 25 percent of the outstanding deficiency. Thus it is common for deficient taxpayers to have accrued substantial penalty and interest charges before filing an appeal.

April 3, 1989
Page 3

current statute, corporations may prepay the principal of their deficiency pending the outcome of their appeal without accruing further interest liability on already outstanding interest and penalty charges--effectively stopping the meter on its liability. On the other side of the issue, once DOR has received payment of the deficient principal, the agency is likely to be much more amenable to delays in the appeal process and has less incentive to settle the case promptly.

For overpayments of tax liability, the 12 percent annual interest rate paid by the state is an above (current) market rate of return for a corporation. ~~Thus financial incentives in cases of disputed tax assessments appear to be weighted in the taxpayer's favor.~~ Depending on one's viewpoint, this may or may not be a desirable statutory objective. Relative to Alaska's statutes, the IRS Tax Code provides greater incentive to settle disputes promptly.

Tax Courts and Administrative Procedures in Alaska and Other States

In Alaska, the administrative process for taxpayers protesting assessments, penalties or other actions by the DOR occurs at the agency level. Any taxpayer is entitled to a formal hearing before the commissioner's office within 90 days of filing an appeal. Taxpayers are encouraged to settle disagreements at an informal conference prior to the formal hearing.

If a taxpayer disagrees with the formal hearing decision, within 30 days of the decision, he/she must file an appeal with the Superior Court in the district in which he/she resides. Department of Law (DOL) attorneys represent the state in court. In most cases, the court record and subsequent decision on the merits of the appeal is based entirely on information produced at the agency hearing. To introduce new material for review by the court, the taxpayer must file a motion for a de novo trial, which the courts have traditionally been very reluctant to accept.²

Other states have established a variety of agencies and review procedures for revenue department rulings. Attachment C contains a comprehensive state by state compilation of these agencies and descriptions of each state's appeal procedures. In two states and the District of Columbia, special tax courts with judicial status have been established. Administrative review boards, which provide a review of tax rulings before any recourse to the courts, have

²A de novo trial means trying a matter anew; the same as if it had not been heard before and as if no decision had been previously rendered.

April 3, 1989

Page 4

been set up in twenty states. Four states require an independent review by a commission or board which performs administrative functions other than tax review but does not administer the tax in dispute. In the remaining states (including Alaska), the tax collecting agency itself conducts the review. Eleven states have more than one administrative review agency, where a separate property tax review board has been established to handle property tax appeals. Seven states have instituted small claims procedures to handle some taxpayer complaints.

According to Carl Meyer, the appeal process in Alaska works fairly efficiently. It is likely that establishment of a special tax appeals court would simply create a large backlog of cases by adding to the DOL workload. Auditors from DOR would have to educate DOL attorneys on the accounting complexities of each case instead of only those that are appealed to the Superior Court.

Prepayment of Liabilities Pending the Outcome of Tax Litigation

In Alaska, tax deficiencies, penalties and interest need not be paid prior to appealing a tax deficiency. For federal taxes, once the IRS has conducted an audit of a tax return and issued a notice of deficiency to the taxpayer, he/she has 90 days in which to appeal the case to a U.S. Tax Court. If the case is appealed, the IRS cannot issue an assessment until the case is decided in court, but the taxpayer may prepay the deficiency pending the outcome of the case. (There is no suspension of interest accrual until all charges are paid). If the case is not appealed, the IRS issues an assessment (after the 90 day period is up) which must be paid. Once payment is made, the taxpayer has six months in which to file an original action in federal District Court for a refund. In layman's terms, a taxpayer must pay before he/she can sue for a refund.

In California, all taxpayers can dispute state tax assessments. In order to dispute a tax assessment in California, however, a taxpayer must have paid the disputed tax. According to Glenn Rigby, chief counsel, California Franchise Tax Board, this feature tends to discourage challenges to tax assessments and is in marked contrast to Alaska's procedure. As mentioned above, in Alaska disputed taxes do not have to be paid and the simple, fixed interest rate charged essentially results in a relatively low-interest loan to corporations while taxes are in dispute. Prepayment of taxes encourages rapid settlement. California's prepayment requirement is established in state constitution as well as statutorily. See Attachment D for pertinent sections.

According to Linda Spencer, staff attorney with the National Association of Tax Administrators (NATA), most states allow prepayment of tax deficiencies and many require full payment of all charges before allowing a taxpayer to file

April 3, 1989
Page 5

suit for a refund. None of the national tax organizations contacted had compiled a centralized list of state laws or regulations governing prepayment of tax liabilities pending the outcome of litigation. Attachment E contains two articles sent by NATA on this issue.

* * *

I hope we have provided enough information for your purposes; these are technical issues. If you have further questions, I suggest you call Carl Meyer at 465-2343. He is very knowledgeable on this subject and patient in explaining the intricacies of tax provisions.

Attachments

SENATE CS FOR CS FOR HOUSE BILL NO. 54J (Resources)COMMENTS ON THE INTEREST PROVISION

HB 541 provides that the interest on taxes -- currently 12% simple interest -- be changed (1) to track the market rate, and (2) to compound. The market tracking provision is five points above the federal reserve rate. At today's rate, this provision would not change the nominal rate at all. (Today's federal reserve rate is 7%; five points above that rate is 12%)

The compounding provision would bring interest on taxes in line with good business practice. Interest would accrue on the entire outstanding liability, rather than only on the principal. A House Research Agency memorandum dated April 3, 1989 concludes that a compound interest provision is an incentive to settle outstanding tax liabilities.

YOU DON'T PUT MONEY IN A SAVINGS ACCOUNT THAT DOESN'T PAY INTEREST ON ACCRUED INTEREST.

YOU COULD NOT BUY A HOUSE WITH A SIMPLE INTEREST PROVISION

IF YOU CHARGE A BRAKE JOB TO YOUR EXXON CREDIT CARD, AND INCUR FINANCE CHARGES, THE FINANCE CHARGE WILL BE BASED ON THE TOTAL BALANCE, NOT JUST THE PRINCIPAL!

The Department's most recent tax assessment summary shows that outstanding taxes and interest total about \$2.9 billion. About half of that is accrued interest. Should the State carry these amounts at simple interest? No bank, financial institution, or even consumer credit card company would do so. Nor would the IRS. The following table shows the difference it would make.

INTEREST UNDER CURRENT LAW AND HB 541

<u>Assessment 4/30/90</u>	<u>Interest in One Year (Millions)</u>	
	Current Law	HB 541
Tax Assessed:	\$1,415	\$169.8
Interest Accrued:	<u>1,464</u>	<u>0</u>
Total:	\$2,879	\$361.3
EFFECTIVE ANNUAL INTEREST RATE	5.9%	12.55%

Taxpayers, by the returns they file, claim they do not owe these disputed amounts. If so, changing to compound interest will not affect them. But if it turns out that they do in fact owe some of these disputed amounts, the State should not carry the debt at an effective interest rate of 5.9%.

HB 541

(NOW IN SENATE FINANCE COMMITTEE)

REQUIRES ACTION NOW

- REQUIRES MARKET INTEREST RATE TO BE PAID ON BACK TAXES
(See below)
 - IMPROVES ACCOUNTABILITY AND LEGISLATIVE OVERSIGHT FOR TAX PROGRAM
 - ADOPTS LEGISLATIVE RESEARCH STAFF RECOMMENDATIONS FOR EXPEDITING TAX PAYMENTS (House Research Agency Memorandum April 3, 1989)
-

INTEREST PAYMENTS UNDER CURRENT LAW AND UNDER HB 541

	<u>Current Law</u>	<u>HB 541</u>
NOMINAL RATE (Today)	12%	12.55%
EFFECTIVE RATE (Today's Outstanding Liabilities)	5.9%	12.55%

Department of Revenue, May 8, 1990

Alaska State Legislature



Speaker of the House of Representatives

P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

Memorandum

TO: Senator John Binkley
Senator Rick Uehling
Co-Chairmen, Senate Finance Committee

FROM: Representative Sam Cotten
Speaker of the House

DATE: May 8, 1990

RE: CSHB 541 (Finance)
An Act relating to certain agreements, compromises, and settlements entered into by the Departments of Natural Resources and Revenue; to legislative audit of those departments and the release of a report of the audits, that may include or refer to confidential information, to the legislature and public; and to collection and payments of royalties from state resources, the interest rate on unpaid taxes and royalties from state resources, and the interest rate on overpaid taxes

Your assistance in moving the captioned bill from the Senate Finance Committee to the Senate floor for action this session would be appreciated.

If you have any questions about the bill, please do not hesitate to contact me or Bill Miles of my staff. Thank you for your consideration of this request.