

Vote Record

Senate Committee on Economic Development, Housing and Government Operations

Date: 9-2-99
Moved by: Zien Seconded by: Grob
AB: _____ Clearinghouse Rule: _____
AB: _____ SB: LCI Appointment: _____
AJR: _____ SJR: _____ Other: _____
A: _____ SR: _____

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
- Confirmation

Committee Member

Sen. Robert Wirch, Chair
Sen. Gwendolynne Moore
Sen. Richard Grobschmidt
Sen. Gary Drzewiecki
Sen. David Zien

<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: _____

Motion Carried

Motion Failed

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 9/2/99
BILL NO. SB 161
OR
SUBJECT delinquent taxes

Ken Plache
(NAME)
(Street Address or Route Number)

(City and Zip Code)
21st Senate Dist
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY**.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 9/2/99
BILL NO. SB 161
OR
SUBJECT _____

Tom Orada
(NAME)
6EF3
(Street Address or Route Number)

(City and Zip Code)
Dept of Revenue
(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:
but not speaking:
*Will Submit
Written comment*

Registering Against:
but not speaking:

Speaking for information
only; Neither for nor against:

Please return this slip to a messenger **PROMPTLY**.
Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7882
Madison, WI 53707-7882



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

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Telephone: (608) 266-1304

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Email: leg.council@legis.state.wi.us

DATE: August 30, 1999

TO: SENATOR ROBERT WIRCH, CHAIRPERSON, SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, HOUSING AND GOVERNMENT OPERATIONS

FROM: Dan Fernbach, Senior Staff Attorney

SUBJECT: 1999 Senate Bill 161, Relating to Authorizing Payment Schedules for Delinquent Taxpayers Who Enter Into a Compromise With the Department of Revenue (DOR)

1999 Senate Bill 161 was introduced on May 18, 1999 by Senator Plache. The Senate Committee on Economic Development, Housing and Government Operations will conduct a public hearing on the bill on September 2, 1999.

A. PRESENT LAW

Under present s. 71.92 (3), Stats., any taxpayer may petition the DOR to compromise delinquent income or franchise taxes, including any applicable costs, penalties and interest. The petition must contain a sworn statement of the petitioner, who may be examined under oath by the department.

If it is determined that the taxpayer cannot pay the amount due in full, the DOR must determine the amount the taxpayer is able to pay and then enter an order reducing the amount due pursuant to its determination. The compromise is effective only if it is paid within 10 days.

If the DOR determines, within three years of the compromise, that a taxpayer has the means to pay the remainder of the original taxes due, including costs, penalties and interest, the department must reopen the case and order payment in full. Before entering the order, the taxpayer must receive written notice of such action and of his or her right to request a hearing on the matter.

(OVER)

B. PROVISIONS OF SENATE BILL 161

Senate Bill 161 amends s. 71.92 (3), Stats., to provide that a compromise is effective only if it is paid in a lump sum within 10 days or if paid within one year pursuant to a payment schedule agreed to by the department.

Also, under the bill, the DOR shall reopen the matter within three years from the date of final payment under a payment schedule and order payment in full if it determines that the taxpayer is able to pay the remainder of the original taxes due, including costs, penalties and interest.

According to the *fiscal estimate* prepared by the DOR, passage of Senate Bill 161 should not have a significant effect on state tax collections.

DF:tlujal



Frank Lasee

State Representative • 2nd Assembly District

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Rep.Lasee@legis.state.wi.us

Representative Frank Lasee Testimony, Assembly Ways & Means Committee Thursday, September 2, 1999

Please work to pass SB 161. 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. This 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.

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. One year is a reasonable amount of time in which to collect back-taxes.



KIMBERLY M. PLACHE

STATE SENATOR • TWENTY FIRST SENATE DISTRICT

September 2, 1999

TO: Members of the Senate Committee on Economic
Development, Housing and Government Operations

FROM: Senator Kimberly M. Plache

RE: **Senate Bill 161**—authorizing payment schedules for
delinquent taxpayers

REASON FOR LEGISLATION

Currently, when a delinquent taxpayer enters into a payment agreement with the Department of Revenue, they have ten days to pay the agreed upon amount. The ten-day payment requirement can deter delinquent taxpayers from entering into agreements with the DOR if they don't have that current amount available to them in a lump sum.

WHAT WOULD SB 161 DO?

Senate Bill 161 would allow the Department of Revenue to enter into a compromise that would allow the taxpayer one year to pay off the amount.

BENEFITS OF A PAYMENT PLAN

A delinquent taxpayer interested in eliminating their tax debt will have an alternative to the ten-day payment requirement if their finances do not afford them the ability to pay a lump sum. They may become more willing to enter into a compromise agreement with the DOR.

This will also provide the DOR with another tool to help reduce the amount of unpaid taxes.

BIPARTISAN SUPPORT

Senate Bill 161 is co-authored by one other Democrat and four Republicans and cosponsored in the Assembly by Representative Frank Lasee and three of his Republican colleagues and 8 Democratic colleagues.