

## HB 2131 STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Prepared By:** Kaitlyn Harger, Economist

**Meeting Dates:** 2/8, 3/10

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#### WHAT THE MEASURE DOES:

Changes statutes related to collection abilities of the Department of Revenue(DOR) in the following areas: heavy equipment rental taxes, state lodging taxes, emergency communication system taxes, and petroleum load fees. Specifies timing of notices of liability, assessment payments, and appeals in cases of tax assessments and/or failure to file. Adds to statute a list of parties DOR may hold accountable for the tax debt including owners, officers, employees, or members. Allows for joint and several liability of accountable parties for payment of taxes. Applies to amounts due as of January 1, 2022. Takes effect on the 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

- Implications of misplaced revenue on local governments
- Potential criminal implications of failure to pay tax collected on behalf of a consumer
- Distribution of taxes collected on behalf of consumer by industry

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

Businesses and employers collect taxes on behalf of customers and/or employees. These taxes are held in trust until they are sent to the Department of Revenue (DOR). However, if changes to the business occur and the tax is not sent to DOR, DOR may have difficulty collecting the tax due. This bill aims to address the difficulty in collections.