To: House Ways and Means Committee

From: Devon Green, Special Counsel, Department of Taxes

Date: February 12, 2014

Re: Supplemental information on Administration's proposal requiring taxpayers to report income

changes for property tax adjustment claims

The committee requested more information on Section 13, the requirement to report income changes for property tax adjustment claims, of Version 1.1 of the Draft Nonrevenue Miscellaneous Tax Bill provisions.

- Timing: The Tax Department typically does not receive the federal information necessary to adjust property tax income until 18 months after the filing deadline. If the information is from prior years, it may take even longer to reconcile. A reporting requirement would increase the Tax Department's efficiency in reconciling the property tax adjustments.
- 60 Day Requirement: The current language requires taxpayers to report a change within 60 days. The Tax Department may be able to extend this requirement and is looking into this option.
- Outreach: The Tax Department will put notifications on tax forms about the reporting requirement and will reach out to taxpayers to raise awareness about this requirement.

Multiple times per year: Fed report on taxfilers whose reported information does not match IRS files

tile

 May include information from multiple years

April 2013: 2012 tax forms filed









September 2014: Report on federal return information

 may or may not include amended return information January 2015: Tax Department reconciles federal information with property tax information