

SSB 5182 - S AMD 379
By Senator Reardon

4/15/03 NOT ADOPTED

1 On page 2, after line 19, strike all material down through line 32
2 and insert the following:

3 "~~(7) A person taking tax credits under this section shall ((make an~~
4 ~~annual report to the department. The report shall be in a letter form~~
5 ~~and shall include the following information: Type of activity in which~~
6 ~~the person is engaged in the county, number of employees in the rural~~
7 ~~county, how long the person has been located in the county, and~~
8 ~~taxpayer name and registration number. The report must be filed by~~
9 ~~January 30th of each year for which credit was claimed during the~~
10 ~~previous year. Failure to file a report will not result in the loss of~~
11 ~~eligibility under this section. However, the department, through its~~
12 ~~research division, shall contact taxpayers who have not filed the~~
13 ~~report and obtain the data from the taxpayer or assist the taxpayer in~~
14 ~~the filing of the report, so that the data and information necessary to~~
15 ~~measure the program's effectiveness is maintained)) file a report to~~
16 ~~the department of revenue in the month following each calendar quarter~~
17 ~~containing the following information:~~

- 18 (a) Number of production workers;
19 (b) Average wage of production workers;
20 (c) Total wages for production workers;
21 (d) Total sales as measured by taxable receipts for activities
22 subject to the tax credit; and
23 (e) Total wages for production workers as a percent of total sales
24 subject to the tax credit.

25 A recipient who fails to submit a complete report under this
26 section is ineligible on a prospective basis for the tax credit. The
27 department of revenue shall notify the recipient in writing by mail
28 that he or she is no longer eligible for the credit. The recipient is
29 ineligible on the effective date of the postmark of the notice letter
30 from the department of revenue. If the recipient satisfactorily
31 completes the report, the department of revenue shall send a letter to

1 the recipient indicating that the basis for the ineligibility has been
2 corrected. The letter from the department of revenue is proof that
3 eligibility has been restored, and eligibility is effective
4 prospectively beginning on the date the letter is postmarked

5 The department shall compile the information into a report
6 containing aggregated data that does not violate any confidentially
7 provisions and send an electronic copy to all members of the
8 legislature on an annual basis."

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EFFECT: Eliminates the requirement of filing an annual report covering type of business activity, number of employees, time located in the county, and taxpayer name and registration number and replaces it with a quarterly report covering the number of production workers, the total wages paid to production workers, sales covered by the special tax rate, and wages as a percent of sales. Failure to file the new report results in loss of the credit.