

Multistate Tax Commission



Resolution No. 98-3

Reciprocal Refund Offset

WHEREAS, thirty-two States and the District of Columbia on a voluntary basis currently offset State income tax refunds to satisfy delinquent federal tax obligations, and

WHEREAS, the States have returned over \$250 million to the federal treasury through offset refunds over the last three years, and

WHEREAS, a reciprocal program under which the federal government would offset federal income tax refunds to satisfy delinquent State tax obligations would substantially improve compliance with State tax laws and result in the collection of significant additional State revenues, and

WHEREAS, state receipts from delinquent debts could increase by about \$150 million to \$200 million annually under a program where the federal government would offset federal income tax refunds, and

WHEREAS, a program of reciprocal refund offset would further the cause of cooperation between State and federal tax administration agencies, and

WHEREAS, Connecticut Representative Nancy Johnson has introduced H.R. 1730 to permit the Internal Revenue Service to make offsets for delinquent State tax debts, and

WHEREAS, the U.S. Senate has included language to authorize reciprocal refund offsets in its version of H.R. 2676, a bill to Restructure the Internal Revenue Service, and

WHEREAS, both the House and Senate passed versions of H.R. 2676 with authorizing reciprocal refund offset and the President has signed the legislation into law;

NOW, THEREFORE, BE IT RESOLVED that the Multistate Tax Commission thank Rep. Johnson and Rep. Coyne for their continued support on this issue, and be it further

RESOLVED that the Multistate Tax Commission thank the members of the U.S. Senate who provided the leadership needed to assure that refund offset language was included in H.R. 2676, including Sen. Grassley, Sen. Kerrey, Sen. Hatch, and Sen. Baucus, and be it further

RESOLVED that the Multistate Tax Commission thank the Internal Revenue Service and the Treasury Department for their publicly stated support of this provision, and be it further

RESOLVED that the Multistate Tax Commission thanks Congress and the President enacting H.R. 2676 authorizing reciprocal refund offsets.

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This Resolution expires on August 7, 2003.

Adopted this 7th day of August 1998, by the Multistate Tax Commission.

W. Val Oveson
Chair

Dan R. Bucks
Executive Director