

Resolution 97-1

Reciprocal Refund Offset Legislation

WHEREAS, thirty-two States and the District of Columbia currently offset state income tax refunds to satisfy delinquent federal tax obligations, 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 such a program, 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 in the 1st Session of the 105th Congress to permit the Internal Revenue Service to make offsets for delinquent state tax debts,

NOW, THEREFORE, BE IT RESOLVED, that the Multistate Tax Commission thanks Representative Johnson for her support on this issue and her sponsorship of reciprocal refund offset legislation, and

BE IT FURTHER RESOLVED, that the Multistate Tax Commission thanks the Internal Revenue Service and the Treasury Department for their publicly stated support of this bill, and asks that they be proactive in assisting to secure its passage, and

BE IT FURTHER RESOLVED, that the Multistate Tax Commission respectfully requests the U.S. Congress to pass reciprocal refund offset legislation in 1997 and will work diligently to that end, and

BE IT FURTHER RESOLVED, that the Multistate Tax Commission will work diligently for the enactment of reciprocal refund offset legislation in future sessions of Congress until it is secured, and

BE IT FINALLY RESOLVED, that this resolution will expire on the day before the Multistate Tax Commission Annual Meeting in 2001.

Adopted this 8th day of August, 1997, by the Multistate Tax Commission.

Dan R. Bucks, Executive Director