

May 17, 2010

S 1172. FAIR TAX PENALTIES. Filed 5/17/10. *TO ENSURE THAT TAXPAYERS ARE NOT SUBJECTED TO PENALTIES FOR REQUESTING A HEARING OR FOR FAILING TO FILE A RETURN IN A MANNER THAT IS PROHIBITED BY LAW.*

Amends GS 105-236(a)(4) to prevent the application of a penalty when the Secretary of Revenue (Secretary) assesses the tax due but not shown on a return and the tax due is paid within 45 after the later of: (1) the notice date for the proposed tax assessment if the taxpayer does not file a timely request for Departmental review; or (2) the date the assessment becomes collectible if the taxpayer files a timely request for review. Also prevents the application of a penalty when a taxpayer files, at the Secretary's request, a consolidated return under GS 105-130.6 (subsidiary and affiliated corporations) and the tax due is paid within 45 days after the later of: (1) the date the consolidated return is filed, if the taxpayer does not timely request Departmental review; or (2) if the taxpayer files a timely request for review, the date the review ends upon the occurrence of listed actions. Amends GS 105-236(a)(5) to provide that the amount of tax shown as due on a consolidated return under GS 105-130.6 is not a deficiency and is not subject to the *Negligence* subdivision. Effective when the act becomes law, and applies to penalties assessed and unpaid as of the effective date, penalties that are paid but are based on a tax that is the subject of pending administrative or judicial actions, and penalties and taxes assessed on or after that date.

Intro. by Clodfelter.

GS 105