

ATRA SUPPORTS HB2135

Statutory Deadline for Administrative Hearings

Background

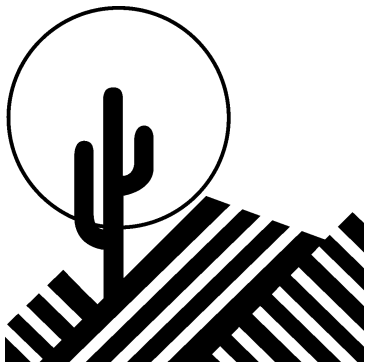
HB2135 supplements taxpayers' appeal rights by setting a 180-day timeframe in which the Arizona Department of Revenue (Department) or Office of Administrative Hearings (OAH) must set a formal administrative hearing with regard to a protested state tax matter once a formal hearing is requested by a taxpayer. The bill also allows taxpayers to request or consent to extensions of the period to provide flexibility to both the Department and taxpayers. If the statutory deadline, with any extensions, is not satisfied, taxpayers may deem the prior denial of their protest the final decision or order of the Department and seek relief before the Arizona Board of Tax Appeals or Arizona Tax Court.

Basis for ATRA's Support

There are statutory deadlines set forth in Arizona statutes for the timely filing of tax assessments, the protest of tax assessments, tax refund claims, and protests of the Departmental denial of tax refund claims. There is also a six-month timeframe in which the Department must act on taxpayers' refund claims before taxpayers may deem such matters denied and request to proceed with the formal administrative hearing process. However, once taxpayers submit requests for formal administrative hearings, there is no statutory or regulatory deadline setting forth any limitation with regard to the timeliness of formal hearings. Due to the lack of applicable statutory or regulatory guidelines, taxpayers have no mechanism to ensure that tax disputes proceed in a timely manner through the formal administrative hearing process before the Department or OAH.

HB2135 ensures timely administrative proceedings once taxpayers have triggered the statutory deadline by requesting formal administrative hearings, and provides flexibility to the Department and taxpayers in extending such timeframe.

ATRA URGES YOU TO VOTE *YES* ON HB2135



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