

Proposed 2015 Session Legislation

Agency Name & No: Department of Revenue - 5801

Priority Number: Filename: SITLIP Agency Debt Protection

Short Title: Protecting Agency Debts from Federal Offset

Agency Contact Person/Phone:

1. Purpose:

Ensure that the state's ability to collect debts on behalf of other state agencies has priority over federal government tax liability offsets.

2. Background:

The State has an agreement with the federal government to offset against tax refunds payable to the federal government under § 17-4-105, MCA. The Department of Revenue also collects other state agencies' debts on their behalf. These agency debts are unrelated to any tax liability owed the state or federal government. Although there is language in the Code protecting the priority of agency debts over offsetting for the federal government, this bill would clarify that in order of priority of state debt collection, state agency debts would have priority over federal tax liability offsets.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible.

None

4. Summary Checklist [Check & complete all that apply]--

- Housekeeping Only, Federal Requirement, Audit Recommendation, Major Legislation, Anticipated to be Controversial Legislation, Bill Draft has been included in Legislation Submittal, Supports Submitted EPP Item Number, Local Government Fiscal Impact, Increases FTE, Decreases FTE, Revenue types (Tax, Fee, Penalty), Previous Legislative Sessions, Other state agencies affected, Special Interest Groups Affected, Other.