

By: Representatives Smith, Sykes, Wilson,
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To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 131

1 AN ACT TO AUTHORIZE COMMISSIONER OF REVENUE TO DEVELOP
2 PROCEDURES FOR THE RECEIPT AND CONSIDERATION OF OFFERS TO
3 COMPROMISE AND SETTLE FINALLY DETERMINED TAX LIABILITIES THAT ARE
4 DOUBTFUL CLAIMS; TO AUTHORIZE THE COMMISSIONER OF REVENUE TO ENTER
5 INTO AN AGREEMENT WITH A TAXPAYER UNDER WHICH A FINALLY DETERMINED
6 TAX LIABILITY THAT IS A DOUBTFUL CLAIM IS SETTLED AND COMPROMISED;
7 TO PROVIDE THAT THE SETTLEMENT AGREEMENT SHALL BE BINDING AND A
8 TAXPAYER'S LIABILITIES FOR TAXES, INTEREST AND PENALTIES WILL BE
9 FULLY AND FINALLY COMPROMISED; TO PROVIDE THAT IF THE COMMISSIONER
10 OF REVENUE LATER DETERMINES THAT THE TAXPAYER MISREPRESENTED THE
11 FINANCIAL CONDITION OF THE TAXPAYER OR ANY PROPERTY BELONGING TO
12 THE TAXPAYER OR OTHER PERSON LIABLE FOR THE TAX, ALL COMPROMISED
13 LIABILITIES MAY BE REESTABLISHED; TO AMEND SECTION 31-19-27,
14 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A DOUBTFUL CLAIM IS A
15 CLAIM FOR A FINALLY DETERMINED TAX LIABILITY FOR WHICH A NOTICE OF
16 TAX LIEN HAS BEEN ENROLLED IN THE UNIFORM STATE TAX LIEN REGISTRY
17 AND FOR THE COLLECTION OF WHICH THE ORDINARY PROCESS OF LAW HAS
18 BEEN INEFFECTUAL; TO BRING FORWARD SECTION 31-19-29, MISSISSIPPI
19 CODE OF 1972, WHICH PROVIDE FOR THE COMPROMISE OF DOUBTFUL CLAIMS,
20 FOR PURPOSES OF AMENDMENT; AND FOR RELATED PURPOSES.

21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

22 **SECTION 1.** (1) The Commissioner of Revenue shall develop
23 procedures for the receipt and consideration of offers to
24 compromise and settle doubtful claims as defined in Section
25 31-19-27. If the commissioner makes a determination that a
26 finally determined tax liability is a doubtful claim as defined in
27 Section 31-19-27 and should be settled and compromised the



28 Commissioner of Revenue is authorized to enter into an agreement
29 with a taxpayer under which the finally determined tax liability
30 that is a doubtful claim is settled and compromised. The
31 settlement agreement shall be binding and a taxpayer's liabilities
32 for taxes, interest and penalties will be fully and finally
33 compromised. If the Commissioner of Revenue later determines that
34 the taxpayer misrepresented, whether intentionally or not, the
35 financial condition of the taxpayer or any property belonging to
36 the taxpayer or other person liable for the tax, all compromised
37 liabilities may be reestablished without regard to any statute of
38 limitations that otherwise may be applicable.

39 (2) The Commissioner of Revenue shall have all powers
40 necessary to implement and administer this section, and shall
41 promulgate rules and regulations, in accordance with the
42 Mississippi Administrative Procedures Law, necessary for the
43 implementation of this section.

44 **SECTION 2.** Section 31-19-27, Mississippi Code of 1972, is
45 amended as follows:

46 31-19-27. (1) A doubtful claim of the state, or of the
47 county, city, town, village, or levee board is one for which
48 judgment has been rendered and for the collection of which the
49 ordinary process of law has been ineffectual; debts due by
50 drainage districts or other taxing districts or sinking funds to
51 counties under the Rehabilitation Act of 1928, being Chapter
52 88 * * *2, Laws of 1928, and Chapter 16 of the Acts of the Special



53 Session of 1931; those debts due counties by drainage districts,
54 which the Reconstruction Finance Corporation has heretofore
55 refused to refinance; debts due for sixteenth section township
56 school fund loans made to churches, where the board of supervisors
57 finds that the value of the security given therefor is
58 insufficient or inadequate to pay or satisfy the principal and
59 interest of said loan, and when the church repays the principal of
60 said loan; and debts due by counties and townships to drainage
61 districts for drainage district assessments or taxes levied and
62 assessed upon sixteenth section lands.

63 (2) A doubtful claim also is one for which a notice of tax
64 lien has been enrolled in the Uniform State Tax Lien registry for
65 a finally determined tax liability and for the collection of which
66 the ordinary process of law has been ineffectual.

67 **SECTION 3.** Section 31-19-29, Mississippi Code of 1972, is
68 brought forward as follows:

69 31-19-29. The Governor, on the advice of the Attorney
70 General or Chairman of the State Tax Commission, may, upon
71 application of the defendant or debtor proposing a compromise,
72 settle and compromise any doubtful claim of the state, or of any
73 county, city, town, or village, or of any levee board against such
74 defendant or debtor, upon such terms as he may deem proper, the
75 board of supervisors in the case of a county, and the municipal
76 authorities in the case of a city, town or village, and the levee
77 board in the case of a claim of a levee board, concurring therein.



78 The Governor, upon application of a drainage district having
79 obligations outstanding to a county under the provisions of
80 Chapter 88, Laws of 1928, and Chapter 16, Laws of the
81 Extraordinary Session of 1931, or obligations which the
82 Reconstruction Finance Corporation has heretofore refused to
83 refinance, may settle and compromise any claim, debt or obligation
84 that said drainage district may owe any county in the State of
85 Mississippi for money loaned said district under the provisions of
86 said Chapter 88, Laws of 1928, or any other claim, debt or
87 obligation that said drainage district may owe the county which
88 the Reconstruction Finance Corporation has heretofore refused to
89 finance, if the board of supervisors of said county concurs in the
90 application of the drainage district. The Governor, upon
91 application by the board of supervisors for any taxing districts
92 of said county or sinking funds of said county under the control
93 and supervision of said board of supervisors having obligations
94 outstanding and due to said county under the provisions of Chapter
95 88, Laws of 1928, and Chapter 16, Laws of the Extraordinary
96 Session of 1931, may settle and compromise any claim, debt, or
97 obligation that said taxing districts or sinking funds may owe
98 said county for money loaned said taxing districts or sinking
99 funds under the provisions of said Chapter 88, Laws of 1928; and
100 provided that the Governor, on the advice of the Attorney General,
101 and upon application of a church owing a sixteenth section
102 township school fund loan, may settle and compromise such debt or



103 obligation if the board of supervisors of the said county concurs
104 in the application of the said church. The Governor may, on the
105 advice of the Attorney General, in like manner compromise and
106 settle a claim of a drainage district for unpaid assessments or
107 taxes upon sixteenth section lands upon application of the board
108 of supervisors wherein such sixteenth section is situated, if the
109 commissioners of the drainage district concur therein.

110 **SECTION 4.** This act shall take effect and be in force from
111 and after July 1, 2017.

