

Rev-A-News

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Compliance and Collection

Montana Form 2X Discontinued

Changes are being made to the filing requirements of the Montana Form 2X, the Amended Individual Income Tax Return, due to the enhanced functionality of the Department of Revenue's new Integrated Revenue Information System (IRIS).

The department will discontinue use of the Form 2X as of July 31, 2005. This form will no longer be distributed by the department or available on our website. The Form 2X had been used by individuals and fiduciaries to file amended Montana Form 2, Form 2S and Form FID-3 returns.

The department is requiring all amended returns to be filed on the Form 2, Form 2S or Form FID-3 of the applicable year. The word "AMENDED" should be written across the top of the return. Also, a statement describing the reason for the amendment is required to be filed with the return.

Returns for the 2005 tax year will be redesigned to allow for filing amended returns, with a checkbox on the return.

Department Now Using U.S. Treasury's Offset Program

Late last fall, the department proceeded with efforts to join the U.S. Department of Treasury's Offset Program (TOP). Under this program, Montana's unpaid individual income tax liabilities are submitted to TOP so that federal income tax refunds paid to taxpayers by the Internal Revenue Service (IRS) can be "offset" to pay the taxpayer's outstanding state tax liability. The unpaid liability remains eligible for offset until fully paid. This "offset" is authorized under the Internal Revenue Service Restructuring and Reform Act of 1998 and Title 26, United States Code, Section 6402(e) & Title 31, Code of Federal Regulations, Part 285.8.

In late December of 2004, as a pilot project for the 2005 tax season, the department sent approximately 325 certified letters to delinquent taxpayers informing them that their unpaid liabilities would be submitted to TOP if they didn't make payment arrangements or resolve their outstanding tax liability within 60 days of the letter. These letters resulted in the resolution of approximately 70 accounts or 21% of the delinquencies targeted. The remaining taxpayer accounts were submitted to TOP in mid March for offset against federal refunds and, in a span of about 4 weeks, have produced about \$8,700 in revenue.

Due to the success of our efforts with this program, the department plans to pursue a much larger pool of delinquent tax accounts for the 2006 tax season. We plan to send certified letters in early October using our new IRIS computer system. We will send final liabilities to TOP in mid-to-late December, which will enable us to initiate offsets at the beginning of the income tax season and utilize the program for the entire season.

Customer Service

Liquor Functions to be Part of Department's Computerized Tax System

You may have heard that the department is successfully implementing a new computerized tax system, known as the Integrated Revenue Information System (IRIS).

What you may not know is that, in the near future, IRIS will include a component for liquor warehouse management and liquor taxes. The new liquor system, scheduled to be completed by December 31, 2005, will improve the overall efficiency of the department's liquor-related functions.

An updated liquor system is necessary due to declining technology. The new technology will provide ease of use, more accurate data capture, more efficient use of time and resources, and customer access to additional information and services. By being a part of IRIS, the new liquor system will help further the department's vision of having a single integrated tax system.

The department's Liquor Distribution Bureau is responsible for the distribution of all distilled spirits and fortified wine to the state agency liquor stores. This process includes distribution of more than 500,000 cases to 100 state agency liquor stores with \$70 million dollars of sales.

Assistance for Business Clinics Offered

Assistance for Business Clinics provide valuable, up-to-date information on tax rules and laws (withholding and reporting), tax credits, personnel issues and other services provided by our department. The clinics are geared to both new and established employers and business owners.

There are 15 Assistance for Business Clinics scheduled throughout the state. In May, clinics will be held in Kalispell (May 10, Outlaw Hotel), in Thompson Falls (May 11, Senior Citizens Center), and in Helena (May 25, Red Lion Colonial Inn). Please contact the local Chamber of Commerce for registration information.

Reporting for Conflict of Interest Procedure

As public servants, Department of Revenue employees are subject to scrutiny by the general public. Some positions undergo more scrutiny because the duties they perform closely emulate those of professionals in the private sector. Such positions are monitored closely for perceived conflicts of interest. Property Assessment Division (PAD) appraisers fit into this category. PAD appraisers perform similar property valuation services to those of fee appraisers in the private sector. In fact, some PAD appraisers are also licensed to perform fee appraisals. All potential conflicts of interest in this area must be averted.

To address this, the department adopted procedure 2-1-020, January 3, 2005, which provides guidelines for consistent reporting of services performed by PAD employees working privately as an appraiser, an appraiser trainee, or in a real estate sales field. The guidelines were established to prevent matters that could create actual or perceived conflict of interest with regard to any and all assigned duties of the employee or the division.

All PAD employees are now required to provide an annual disclosure statement declaring whether or not they are providing such a service and if they are, reporting to their supervisors a list of the properties for which they have provided the service. This disclosure statement is available on the Intranet as addendum A to procedure 2-1-020. This reporting allows the supervisor to reassign appraisal duties in order to avoid a potential conflict of interest.

This is a combined effort to protect confidential information held by the division, and to establish penalties for any alleged violations of either 15-7-310 MCA, ARM 42.2.801 through 42.2.807 and DOR Ethics policy 3.5.1.

About the Agency

Career Opportunities

The Department of Revenue posts new job opportunities on Wednesday and Friday each week. Visit our website www.discoveringmontana.com/revenue and go to About the Agency for current job opportunities.