

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 35

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO THE DEPARTMENT OF REVENUE AND TAXATION; AMENDING SECTION 63-115, IDAHO CODE, TO PROVIDE REQUIREMENTS RELATING TO FILING ELECTRONIC RETURNS, TO PROVIDE FOR CERTAIN WAIVERS, TO PROVIDE A PENALTY, TO REVISE A DEFINITION AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-115, Idaho Code, be, and the same is hereby amended to read as follows:

63-115. FILING OF ELECTRONIC RETURNS AND DOCUMENTS -- ELECTRONIC FUNDS TRANSFERS. (1) Any return or other document filed with or submitted to the state tax commission may be transmitted electronically to the commission when permitted by rules or procedures established by the commission. Payments of any amounts to the commission by electronic funds transfer shall be in accordance with sections 67-2026 and 67-2026A, Idaho Code, or section 63-117, Idaho Code.

(2) For income tax returns due on or after January 1, 2016, a tax return preparer who is paid for preparing over twenty-five (25) individual and business tax returns in a calendar year, including returns from pass-through entities and estates and trusts, shall submit each return electronically to the state tax commission, unless a person for whom the preparer files a return requests, in a form prescribed by the commission, that the return be filed by other means.

(3) The state tax commission may impose a penalty not to exceed five dollars (\$5.00) on a paid preparer for each tax return filed by the preparer in violation of this section.

(4) For partnership and S corporation returns due on or after January 1, 2016, a partnership or S corporation with more than one hundred (100) partners or one hundred (100) shareholders shall submit the return electronically to the state tax commission, unless the partnership or S corporation requests a waiver, in a form prescribed by the commission, that the return be filed by other means.

(5) For corporate returns due on or after January 1, 2016, a corporation with more than ten million dollars (\$10,000,000) in assets shall submit the return electronically to the state tax commission, unless the corporation requests a waiver, in a form prescribed by the commission, that the return be filed by other means.

(6) As used in this section, "transmitted electronically" means the use of a telecommunication or computer third party value added network to transfer information in an optical, electronic, magnetic or other machine sensitive form. The term includes the use of facsimile machines and third party value added networks.

1 (37) Any return or other document transmitted electronically to the
2 commission and accepted by the commission shall be deemed received on the
3 earlier of:

4 (a) The date it arrives at the commission or, in the case of returns
5 filed through the ~~I~~nternal ~~R~~evue ~~S~~ervice, the date the return is
6 received by the ~~I~~nternal ~~R~~evue ~~S~~ervice; or

7 (b) The date that a third party, in accordance with procedures approved
8 by the commission, transmits the return to the state tax commission or
9 makes it otherwise available to the state tax commission.

10 (48) Any payment made electronically shall be deemed paid on the date
11 the funds are available to the state treasurer.

12 (59) To constitute a properly filed valid tax return or report, a docu-
13 ment transmitted electronically ~~or submitted in a physical machine sensible~~
14 ~~form such as tape or disk~~ must:

15 (a) Be filed in a format prescribed by the state tax commission and be
16 sufficiently free of errors to identify the filer and the tax type and to
17 calculate the amounts due;

18 (b) Contain the taxpayer's name, address (if required by the state tax
19 commission) and identifying number;

20 (c) Be signed by the taxpayer or other individual effecting the signa-
21 ture or verification; and

22 (d) Include sufficient information to permit the mathematical verifi-
23 cation of any tax liability.

24 (610) The state tax commission may, by rule, prescribe exclusive meth-
25 ods for electronically signing or verifying a return or other document
26 transmitted electronically to the state tax commission that shall have the
27 same validity and consequences as manual signing by the taxpayer or other
28 individual effecting the signature or verification.