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State Revenue Commissioner Appoints Taxpayer Advocate

Montgomery, April 28, 2000—Alabama Commissioner of Revenue Michael L. Patterson appointed Kerry W. Brown to the post of Taxpayer Advocate, effective May 1, 2000.

On April 18, 2000, Gov. Don Siegelman signed the Alabama Taxpayer Advocate Bill into law, formally establishing the post of taxpayer advocate and related duties and responsibilities.

Brown, a 27-year career state employee, serves as director of the revenue department's Office of Taxpayer Advocacy, established in 1997, and has served in the capacity of taxpayer assistance officer since 1989.

“The taxpayer advocate post provides Alabama taxpayers and the department with a more efficient way to resolve wrongfully-assessed tax liabilities,” explained Commissioner Patterson. “In the past, if a taxpayer were wrongfully assessed a tax liability and did not challenge the assessment within a certain time frame established by law, the tax assessment became ‘final’ and had to be paid, even if the revenue department later learned that the tax assessment was incorrect. In order to correct the assessment, the taxpayer had to first pay the tax liability and then request a refund. Before the Taxpayer Advocate Bill became law, this was the only way that such matters could be resolved. It was a cumbersome process, and caused frustrations for both the taxpayer and the department,” explained Commissioner Patterson.

“The taxpayer advocate legislation eliminates this red tape, allowing the department to operate more efficiently and resolve such matters more timely. This is a win-win situation for the taxpayers in the state and the department. I commend Governor Siegelman and the sponsors of this legislation, Sen. Tom Butler and Rep. Perry Hooper Jr., for their leadership and support in getting this much-needed law passed,” added Patterson.

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Under the new law, the department's Taxpayer Advocate has the authority to issue a Taxpayer Assistance Order and set aside the wrongfully-assessed tax liability, thus resolving the issue without requiring the taxpayer to first pay the tax and then request a refund.

Checks and balances are built into the law. The taxpayer advocate law requires that actions taken by the advocate on the taxpayer's behalf will be public record information and open to public inspection. The law also requires that the department submit an annual status report to the legislature detailing actions taken by the advocate.

The new law specifically gives the advocate the authority to:

- ▶ Waive a penalty for reasonable cause.
- ▶ Issue Taxpayer Assistance Orders granting relief when a tax erroneously assessed or reported is determined not to be due.
- ▶ Grant a refund that is due the taxpayer, but was denied in error.
- ▶ Provide such other relief as determined appropriate, including voiding any erroneously issued final assessment.

"The taxpayer advocate office in no way allows business or individual taxpayers to bypass the normal operating procedures of the department in resolving tax questions or collection matters. Rather, it allows those taxpayers who have followed standard operating procedures but find their tax matters still unsatisfactorily resolved, a final independent channel to seek assistance," said Patterson.