



A Dash of SALT

Arizona's Taxpayer Bill of Rights, and Role of the Problem Resolution Officer

This month's state and local tax (SALT) column highlights some rights extended to taxpayers under Arizona's Taxpayer Bill of Rights. As Americans, we are fond of our rights as enumerated in the Bill of Rights, and everybody who has watched a drama involving law enforcement, like "Law & Order," knows that, should the occasion arise, we "have the right to remain silent," and that anything we say will be used against us in court. But, most Arizonans probably do not even know that Arizona has a Taxpayer Bill of Rights.

In 1986, Arizona was the first state to enact a bill of rights for taxpayers. The rights apply to taxpayers who interact with the Arizona Department of Revenue, and many of the same rights are extended to taxpayers who interact with municipalities that collect their own sales taxes. Every Arizona taxpayer and CPA should be aware of these rights, especially those whose interaction with state or city tax collectors involves more than just remitting tax.

This column focuses on some of the general provisions of Arizona's Taxpayer Bill of Rights, and on how the Problem Resolution Officer can assist in unusual situations. Future columns will address other important rights and tools available under this law.

General Provisions

Arizona's Taxpayer Bill of Rights:

- Requires ADOR to keep taxpayers' personal and financial information confidential;
- Prohibits ADOR from evaluating employees based on the amount of taxes they collect or assess;
- Generally prohibits ADOR from auditing the same taxpayer for the same period twice, and from increasing the amount of an assessment once

it is issued;

- Requires ADOR to allow taxpayers who owe taxes to pay such taxes under an installment plan, if necessary;
- Generally limits the duration of audits to two years from the date of initial contact for the audit; and
- Allows taxpayers to avoid tax and interest when relying on written advice from ADOR, and to avoid tax as well when the taxpayer received a private taxpayer ruling.

The Problem Resolution Officer

The Taxpayer Bill of Rights established the "Arizona Taxpayer Assistance Office," to be led by the Problem Resolution Officer. The Problem Resolution Officer reports directly to ADOR's Director and his office is required to help taxpayers by:

- Evaluating complaints regarding improper, abusive or inefficient service;
- Resolving the most complex and sensitive taxpayer problems;
- Obtaining easily understandable tax information and information involving audits and appeals procedures; and
- Locating documents or payments filed with or submitted to ADOR.



Thus, Arizona's Problem Resolution Officer is a resource to both taxpayers and CPAs in situations when things go wrong, but should not be one's first point of contact with ADOR for routine matters. Jorge Frank is currently ADOR's Problem Resolution Officer. Mr. Frank can be reached at (602) 716-6025 or JFrank@azdor.gov.

Arizona municipalities also have Problem Resolution Officers. They can be identified by clicking on the name of the municipality at: http://modelcitytaxcode.az.gov/City_profiles/City_profiles.htm

Practice Tip! — For more information about Arizona's Taxpayer Bill of Rights, consult Arizona Department of Revenue Publication 1 and ARS § 42-2051 *et seq.* Some comparable provisions are included in Arizona's municipal tax codes as well. **AZ CPA**

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