

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 382

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1
2 RELATING TO TAXES; AMENDING SECTION 63-115, IDAHO CODE, TO REQUIRE CERTAIN
3 TAX RETURN PREPARERS TO FILE INDIVIDUAL AND BUSINESS INCOME TAX RETURNS
4 ELECTRONICALLY, TO REVISE A DEFINITION AND TO MAKE TECHNICAL CORREC-
5 TIONS.

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

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

9 63-115. FILING OF ELECTRONIC RETURNS AND DOCUMENTS -- ELECTRONIC
10 FUNDS TRANSFERS. (1) Any return or other document filed with or submitted to
11 the state tax commission may be transmitted electronically to the commission
12 when permitted by rules or procedures established by the commission. Pay-
13 ments of any amounts to the commission by electronic funds transfer shall
14 be in accordance with sections 67-2026 and 67-2026A, Idaho Code, or section
15 63-117, Idaho Code.

16 (2) For income tax returns due on or after January 1, 2015, a paid tax
17 return preparer who prepares over ten (10) individual income tax returns
18 and business income returns, including returns from pass-through entities,
19 shall submit each return electronically to the state tax commission, unless
20 a person for whom the preparer files a return requests, in a form prescribed
21 by the commission, that the return be filed by other means.

22 (3) A tax return preparer shall pay to the state tax commission a
23 penalty not to exceed five dollars (\$5.00) for each tax return filed in vi-
24 olation of this section.

25 (4) For partnership returns and S corporation returns due on or after
26 January 1, 2015, a partnership or S corporation with more than one hundred
27 (100) partners or shareholders shall submit the return electronically to the
28 state tax commission, unless the partnership requests a waiver, in a form
29 prescribed by the commission, that the return be filed by other means.

30 (5) For corporate returns due on or after January 1, 2015, a corporation
31 with more than ten million dollars (\$10,000,000) in assets shall submit the
32 return electronically to the state tax commission, unless the partnership
33 requests a waiver, in a form prescribed by the commission, that the return be
34 filed by other means.

35 (6) As used in this section, "transmitted electronically" means the use
36 of a telecommunication or computer third party value added network to trans-
37 fer information in an optical, electronic, magnetic or other machine sensi-
38 ble form. The term includes the use of facsimile machines and third party
39 value added networks.

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

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

4 (b) The date that a third party, in accordance with procedures approved
5 by the state tax commission, transmits the return to the state tax com-
6 mission or makes it otherwise available to the state tax commission.

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

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

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

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

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

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

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