

PROPOSED AMENDMENTS TO ELECTRIC INDUSTRY COMPETITION COMMITTEE TAX
RESTRUCTURING BILL DRAFT

Page 2, line 17, replace "taxable" with "not exempt under chapter 57-33.2"

Page 4, line 29, replace "designed to operate at a" with "which operates at an"

Page 4, line 30, remove "maximum"

Page 5, line 5, replace "designed to operate" with "which operates"

Page 6, line 25, remove "electric"

Page 6, line 27, replace "an electric" with "a"

Page 6, line 28, replace "Taxes" with "Distribution taxes" and remove "on gross revenue"

Page 8, replace lines 21 through 30 with:

"57-33.2-11. Deficiency, protest, and appeal.

1. When the amount of taxes due is understated on a return because of a mathematical or clerical error, the tax commissioner shall notify the company of the error and the amount of additional taxes due. This notice is not a notice of deficiency and the company has no right to protest.
2. If upon an audit the tax commissioner finds additional taxes due, the tax commissioner shall notify the company and the state board of equalization of the deficiency in the tax amount. A notice of deficiency must be sent to the company by first-class mail and must state the amount of additional taxes due and set forth the reasons for the increase.
3. A company has thirty days from the date of mailing of the notice of deficiency to file a written protest with the state board of equalization objecting to the assessment of additional taxes due. The protest must set forth the basis for the protest and any other information that may be required by the state board of equalization. If a company fails to file a written protest within the time provided, the amount of additional taxes stated in the notice of deficiency becomes finally and irrevocably fixed. If a company protests only a portion of the tax commissioner's finding, the portion that is not protested becomes finally and irrevocably fixed.
4. If a protest is filed, the state board of equalization shall reconsider the assessment of additional taxes due.
5. Within six months after the protest is filed, the state board of equalization shall mail to the company a notice of reconsideration and assessment

which must respond to the company's protest and assess the amount of any additional taxes due. The amount set forth in that notice becomes finally and irrevocably fixed unless the company brings an action against the state in district court within six months of the mailing of the notice of reconsideration and assessment.

57-33.2-12. Claims for credit or refund.

1. A company may file a claim for credit or refund of an overpayment of any tax imposed by this chapter within six years after the due date of the return or within six years after the return was filed, whichever period expires later.
2. A claim for credit or refund must be made by filing with the tax commissioner an amended return, or other report as prescribed by the tax commissioner, accompanied by a statement outlining the specific grounds upon which the claim for credit or refund is based.
3. The tax commissioner shall notify the company if the state board of equalization disallows all or part of a claim for credit or refund. The decision of the state board of equalization denying a claim for credit or refund is final and irrevocable unless the company brings an action against the state in district court within six months of the mailing of the notice denying the claim for credit or refund.

57-33.2-13. Preservation of records. Every company required to make a return and pay any taxes under this chapter shall preserve records of retail sales as the commissioner may require and every company shall preserve for a period of six years and three months all invoices and other records of electricity delivered to a consumer in this state. All of these books, invoices, and other records must be open to examination at any time by the commissioner or any duly authorized agent of the commissioner."

Page 9, remove lines 1 through 21

Page 9, line 22, replace "**57-33.2-13**" with "**57-33.2-14**"

Page 9, line 26, replace "**57-33.2-14**" with "**57-33.2-15**"

Page 10, remove lines 4 through 11

Page 10, line 28, after "tax" insert "on"

Renumber accordingly