

The Taxpayer Bill of Rights is a document issued to inform you of your rights. These rules aim to promote fairness, confidentiality, and consistency in the application of the privilege (sales) and use tax laws. Please note, the Chandler Tax Code prevails in case of any omission or inconsistency.

Taxpayer Bill of Rights

Transaction Privilege (Sales) Tax

This information will inform you, the taxpayer, of your rights as governed by the rules of the Model City Tax Code. These rules have been adopted by the Chandler City Council to promote fairness, confidentiality, and consistency of application of the Transaction Privilege (Sales) and Use Tax. To insure that taxpayers are treated fairly and their concerns heard, the City has designated a taxpayer Problem Resolution Officer.

Taxpayer Problem Resolution Officer

The City of Chandler has established a Taxpayer Problem Resolution Officer with the power to intervene on citizens' behalf to help resolve tax issues and will assist taxpayers in the following ways:

- As an ombudsman for the taxpayer, the Taxpayer Problem Resolution Officer helps businesses obtain easily understandable information on taxes, audits, corrections, collections and appeals.
- Serves as a trouble-shooter and problem solver, assists taxpayers with information on City procedures, answers questions about preparing and filing returns, and responds to complaints.
- Has the authority to issue a Taxpayer Assistance Order, which can:
 1. Stop the actions of the City Tax Collector related to a specific taxpayer, if the Problem Resolution Officer believes that a significant hardship will result to the taxpayer if the proposed action continues.
 2. Release a lien issued under the Tax Code. Limitations are set on what an Assistance Order can cover, and the Order can be rescinded by the City Manager.

The Taxpayer Bill of Rights

This information has been adopted in the Model City Tax Code to define citizens' rights when resolving tax issues with City Tax Collectors.

General Taxpayer Rights

- Requires that the Tax Collector survey customers and include the evaluation results in the performance appraisal of Tax Collector employees. It also prohibits basing an employee evaluation on how much the employee has assessed or collected in taxes.
- Allows interest charges to be calculated based on the balance due at the end of the month. Except in the case of fraud or tax evasion, penalties generally are capped at 25 percent of the total amount due. Additional consideration must be given to taxpayer explanations as to why payment was late. It also expands provisions on waiving or adjusting penalties and defines "negligence" for the purposes of this section.
- Gives the taxpayer a time frame in which to provide requested information before penalties can be assessed.

Taxpayer Assistance

- Allows credits to be claimed for tax, penalties and interest paid in excess of the amount actually due, and requires that interest be paid on such refunds from the date the claim is made for the refund. It also expands the grounds on which a refund can be claimed.
- Establishes a process for quick review (within 15 days) of jeopardy assessments.
- Requires reimbursement to a taxpayer for the cost of an administrative hearing if the taxpayer prevails at the hearing on the most significant issue, or set of issues, and the Tax Collector's position was not substantially justified. The costs are for attorney fees, expert witnesses, etc., and are capped at \$20,000 per case. The Taxpayer Problem Resolution Officer will review and determine the taxpayer's reimbursable costs up to the maximum, subject to review only by a court.

Tax Collection Rights

- Determines the time for which additional taxes can be assessed, and restricts the "no limitation period" to cases in which there was an intent to evade tax or failure or refusal to file a return.

- Limits any additional audits of the same taxpayer for the same time period once an audit is completed and written notice has been sent to the taxpayer of the amount due, except under limited circumstances. It also prohibits the increase in any assessment of taxes due unless the taxpayer failed to perform his responsibilities or a court decision has been made which would cause the assessment to increase.
- Allows the City to enter into an agreement for payment of tax due in installment payments. If the Tax Collector refuses to enter into such an agreement, the taxpayer can appeal to the Taxpayer Problem Resolution Officer, who can reverse or modify the decision depending on the circumstances.
- Requires the issuance of a Private Taxpayer Ruling upon the written request of a taxpayer, and sets up a procedure for issuing such rulings. It also allows taxpayers to rely on rulings issued by the Department of Revenue, if the State Statute is substantially identical to the Chandler Tax Code provisions, unless a City Taxpayer Ruling has been issued.
- Requires the abatement of penalties and interest if the Tax Collector has distributed incorrect forms or instructions, or has provided erroneous advice to a taxpayer.

Reliance on Written Information

- Although the City is confident the verbal responses given by its employees are correct, the City is not bound by oral advice. Therefore, you are encouraged to put your questions in writing, and the City will answer you in writing. This will reduce the chances of possible misunderstanding.
- If you underpay your tax as a direct result of following the written advice the City has given, an instruction on a tax return form, or a Tax Ruling, you will not have to pay interest or penalties on the additional tax due.