Establish personal liability of certain corporate officers for unpaid business excise taxes

Description

This proposal expands the Department's authority to pursue responsible individuals for unpaid taxes of corporations, limited liability companies (LLCs), and other artificial entities. Under this proposal, responsible individuals could be held liable for non-trust fund taxes, such as the B&O tax and public utility taxes.

Current Law

Under current law, responsible individuals (such as owners, officers, managers or other persons associated with corporations or limited liability entities) may be held liable for collected but unremitted retail sales tax if they were the entity's chief executive or chief financial officer or willfully failed to pay the tax. Accountability is limited to the retail sales tax (a trust fund tax) and does not include non-trust fund taxes, fees, penalties, and interest owed by a defunct corporation or limited liability entity.

Revenue Impact
($ millions)

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
$0	$7.7	$7.7

Notes:

- *Estimates assume a July 1, 2012 effective date, representing 11 months of collections for FY 2013.*
- *Estimates reflect the September 2011 revenue forecast by the Forecast Council.*

Expenditure Impact

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
TBD	TBD	TBD