RESOLUTION NO. 2010-02

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, ESTABLISHING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE SEDONA CITY CLERK AND ENTITLED "*SUPPLEMENTARY LOCAL AUDIT PROCEDURES FOR THE CITY TAX CODE OF THE CITY OF SEDONA, ARIZONA*."

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, that the certain document entitled "*Supplementary Local Audit Procedures for the City Tax Code of the City of Sedona, Arizona*," set forth in Exhibit A attached hereto, constitutes a public record to be adopted by reference pursuant to ARS 9-802 into Ordinance 2010-02.

At least three (3) copies of this public record shall be filed in the office of the City Clerk and kept available for public use and inspection.

APPROVED AND ADOPTED BY THE Mayor and Council of the City of Sedona, Arizona, this 12th day of January, 2010.

Rob Adams, Mayor

ATTEST:

Mary Gladieux, Acting City Clerk

APPROVED AS TO FORM:

Michael Goimarac, City Attorney

Exhibit A to Resolution 2010 - 02

SUPPLEMENTARY LOCAL AUDIT PROCEDURES

FOR THE

CITY TAX CODE

OF THE

CITY OF SEDONA, ARIZONA

Section 1. The introduction and following sections of Article V of the Tax Code of the City of Sedona, Arizona are amended to read:

Article V - Administration

(NOTICE: BOTH THE DEPARTMENT OF REVENUE AND THE CITY OF SEDONA MAY PERFORM AUDITS OF LOCAL TAXPAYERS. ALTHOUGH MANY OF THE ADMINISTRATIVE PROCEDURES ARE THE SAME, REGARDLESS OF WHICH ENTITY IS PERFORMING THE AUDIT, SOME DIFFERENCES WILL APPLY. TO IDENTIFY THOSE DIFFERENCES, THE WORDS "STATE ADMINISTRATION AND AUDITS" OR "LOCAL AUDITS" APPEAR FOLLOWING THE TITLE OF THE SECTION. IF THE SECTION APPLIES TO AUDITS PERFORMED BY BOTH THE STATE AND THE CITY, NO NOTATION APPEARS.)

Sec. 8A-500. Administration of this Chapter; rule making. (STATE ADMINISTRATION AND AUDITS)

(a) The administration of this Chapter is vested in and exercised by the City of Sedona, and except as otherwise provided, and all payments shall be made to the City of Sedona. The City may, pursuant to an intergovernmental agreement, contract with the State of Arizona Department of Revenue for the administration of the tax. In such cases, "Tax Collector" shall also mean the Arizona Department of Revenue, when acting as agent in administering this tax.

(b) The Tax Collector shall prescribe the forms and procedures necessary for the administration of the taxes imposed by this Chapter.

(c) Except where such Regulations would conflict with administrative regulations adopted by the City Council or with provisions of this Chapter, all regulations on the Transaction Privilege Tax adopted by the Arizona Department of Revenue under the authority of A.R.S. Section 42-1005 shall be considered Regulations of this Chapter and enforceable as such.

(d) Taxpayers shall be subject to the state taxpayer bill of rights (A.R.S. § 42-2051 et. seq).

(e) The unified audit committee shall publish uniform guidelines that interpret the model city tax code and that apply to all cities and towns that have adopted the model city tax code as provided by A.R.S. Section 42-6005.
   (1) Prior to finalization of uniform guidelines that interpret the model city tax code, the unified audit committee shall disseminate draft guidelines for public comment.
   (2) Pursuant to A.R.S. Section 42-6005(D), when the state statutes and the model city tax code are the same and where the Arizona Department of Revenue has issued written guidance, the department's interpretation is binding on cities and towns.

Sec. 8A-500. ADMINISTRATION OF THIS CHAPTER; RULE MAKING. (LOCAL AUDITS)

(a) THE ADMINISTRATION OF THIS CHAPTER IS VESTED IN AND EXERCISED BY THE CITY OF SEDONA, AND EXCEPT AS OTHERWISE PROVIDED, ALL PAYMENTS SHALL BE MADE TO THE CITY OF SEDONA. THE CITY MAY, PURSUANT TO AN INTERGOVERNMENTAL AGREEMENT, CONTRACT WITH THE STATE OF ARIZONA DEPARTMENT OF REVENUE FOR THE ADMINISTRATION OF THE TAX. IN SUCH CASES, "TAX COLLECTOR" SHALL ALSO MEAN THE ARIZONA DEPARTMENT OF REVENUE, WHEN ACTING AS AGENT IN ADMINISTERING THIS TAX.

(b) THE TAX COLLECTOR SHALL PRESCRIBE THE FORMS AND PROCEDURES NECESSARY FOR THE ADMINISTRATION OF THE TAXES IMPOSED BY THIS CHAPTER.

(c) EXCEPT WHERE SUCH REGULATIONS WOULD CONFLICT WITH ADMINISTRATIVE REGULATIONS ADOPTED BY THE CITY COUNCIL OR WITH PROVISIONS OF THIS CHAPTER, ALL REGULATIONS ON THE TRANSACTION PRIVILEGE TAX ADOPTED BY THE ARIZONA DEPARTMENT OF REVENUE UNDER THE AUTHORITY OF A.R.S. SECTION 42-1005 SHALL BE CONSIDERED REGULATIONS OF THIS CHAPTER AND ENFORCEABLE AS SUCH.

(d) (RESERVED)

(e) THE UNIFIED AUDIT COMMITTEE SHALL PUBLISH UNIFORM GUIDELINES THAT INTERPRET THE MODEL CITY TAX CODE AND THAT APPLY TO ALL CITIES AND TOWNS THAT HAVE ADOPTED THE MODEL CITY TAX CODE AS PROVIDED BY A.R.S. SECTION 42-6005.
   (1) PRIOR TO FINALIZATION OF UNIFORM GUIDELINES THAT INTERPRET THE MODEL CITY TAX CODE, THE UNIFIED AUDIT COMMITTEE SHALL DISSEMINATE DRAFT GUIDELINES FOR PUBLIC COMMENT.
   (2) PURSUANT TO A.R.S. SECTION 42-6005(D), WHEN THE STATE STATUTES AND THE MODEL CITY TAX CODE ARE THE SAME AND WHERE THE ARIZONA DEPARTMENT OF REVENUE HAS ISSUED WRITTEN GUIDANCE, THE DEPARTMENT'S INTERPRETATION IS BINDING ON CITIES AND CITYS.

Sec. 8A-515. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-515. DUTIES OF THE TAXPAYER PROBLEM RESOLUTION OFFICER. (LOCAL AUDITS)

(a) THE TAXPAYER PROBLEM RESOLUTION OFFICER SHALL ASSIST TAXPAYERS IN:
   (1) OBTAINING EASILY UNDERSTANDABLE TAX INFORMATION AND INFORMATION ON AUDITS, CORRECTIONS AND APPEALS PROCEDURES OF THE CITY.
   (2) ANSWERING QUESTIONS REGARDING PREPARING AND FILING THE RETURNS REQUIRED UNDER THIS CHAPTER.
   (3) LOCATING DOCUMENTS FILED WITH OR PAYMENTS SUBMITTED TO THE TAX COLLECTOR BY THE TAXPAYER.

(b) THE TAXPAYER PROBLEM RESOLUTION OFFICER SHALL ALSO:

(1) RECEIVE AND EVALUATE COMPLAINTS OF IMPROPER, ABUSIVE OR INEFFICIENT SERVICE BY THE TAX COLLECTOR OR ANY OF HIS DESIGNEES, EMPLOYEES, OR AGENTS AND RECOMMEND TO THE CITY MANAGER OR, FOR A CITY WITHOUT A CITY MANAGER, THE CHIEF ADMINISTRATIVE OFFICER APPROPRIATE ACTION TO CORRECT SUCH SERVICE.

(2) IDENTIFY POLICIES AND PRACTICES OF THE TAX COLLECTOR OR ANY OF HIS DESIGNEES, EMPLOYEES, OR AGENTS THAT MIGHT BE BARRIERS TO THE EQUITABLE TREATMENT OF TAXPAYERS AND RECOMMEND ALTERNATIVES TO THE CITY MANAGER OR, FOR A CITY WITHOUT A CITY MANAGER, THE CHIEF ADMINISTRATIVE OFFICER.

(3) PROVIDE EXPEDITIOUS SERVICE TO TAXPAYERS WHOSE PROBLEMS ARE NOT RESOLVED THROUGH NORMAL CHANNELS.

(4) NEGOTIATE WITH THE TAX COLLECTOR, HIS DESIGNEES, EMPLOYEES, OR AGENTS TO RESOLVE THE MOST COMPLEX AND SENSITIVE TAXPAYER PROBLEMS.

(5) TAKE ACTION TO STOP OR PROHIBIT THE TAX COLLECTOR FROM TAKING AN ACTION AGAINST A TAXPAYER.

(6) PARTICIPATE AND PRESENT TAXPAYERS' INTERESTS AND CONCERNS IN MEETINGS FORMULATING THE CITY'S POLICIES AND PROCEDURES UNDER AND INTERPRETATION OF THIS CHAPTER.

(7) COMPILE DATA EACH YEAR ON THE NUMBER AND TYPE OF TAXPAYER COMPLAINTS AND EVALUATE THE ACTIONS TAKEN TO RESOLVE THOSE COMPLAINTS.

(8) SURVEY TAXPAYERS EACH YEAR TO OBTAIN THEIR EVALUATION OF THE QUALITY OF SERVICE PROVIDED BY THE TAX COLLECTOR, HIS DESIGNEES, EMPLOYEES, AND AGENTS.

(9) PERFORM OTHER FUNCTIONS WHICH RELATE TO TAXPAYER ASSISTANCE AS PRESCRIBED BY THE CITY MANAGER OR, FOR A CITY WITHOUT A CITY MANAGER, THE CHIEF ADMINISTRATIVE OFFICER.

(c) ACTIONS TAKEN BY THE TAXPAYER PROBLEM RESOLUTION OFFICER MAY BE REVIEWED AND/OR MODIFIED ONLY BY THE CITY MANAGER OR, FOR A CITY WITHOUT A CITY MANAGER, THE CHIEF ADMINISTRATIVE OFFICER UPON REQUEST OF THE TAX COLLECTOR OR A TAXPAYER.

(d) THE MAYOR AND COUNCIL OF THE CITY SHALL BE PROVIDED WITH A REPORT QUARTERLY WHICH IDENTIFIES:

(1) ANY COMPLAINTS OF IMPROPER, ABUSIVE OR INEFFICIENT SERVICE RECEIVED BY THE TAXPAYER PROBLEM RESOLUTION OFFICER SINCE THE DATE OF THE LAST REPORT.

(2) ANY RECOMMENDATIONS MADE, ACTION TAKEN OR SURVEYS OBTAINED BY THE TAXPAYER PROBLEM RESOLUTION OFFICER PURSUANT TO SUBSECTION (b)(1)-(9), ABOVE, SINCE THE DATE OF THE LAST REPORT.

Sec. 8A-516. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-516. TAXPAYER ASSISTANCE ORDERS. (LOCAL AUDITS)

(a) THE TAXPAYER PROBLEM RESOLUTION OFFICER, WITH OR WITHOUT A FORMAL WRITTEN REQUEST FROM A TAXPAYER, MAY ISSUE A TAXPAYER ASSISTANCE ORDER THAT SUSPENDS OR STAYS AN ACTION OR PROPOSED ACTION BY THE TAX COLLECTOR IF, IN THE PROBLEM RESOLUTION OFFICER'S DETERMINATION, A TAXPAYER IS SUFFERING OR WILL SUFFER A SIGNIFICANT HARDSHIP DUE TO THE MANNER IN WHICH THE TAX COLLECTOR IS ADMINISTERING THE TAX LAWS.

(b) A TAXPAYER ASSISTANCE ORDER MAY REQUIRE THE TAX COLLECTOR TO RELEASE ANY LIEN PERFECTED UNDER THIS CHAPTER, OR CEASE ANY ACTION OR REFRAIN FROM TAKING ANY ACTION TO ENFORCE AGAINST THE TAXPAYER ANY SECTION OF THIS CHAPTER PENDING RESOLUTION OF THE ISSUE GIVING RISE TO THE TAXPAYER ASSISTANCE ORDER.

(c) THE TAXPAYER PROBLEM RESOLUTION OFFICER, CITY MANAGER OR, FOR A CITY WITHOUT A CITY MANAGER, THE CHIEF ADMINISTRATIVE OFFICER MAY MODIFY, REVERSE OR RESCIND A TAXPAYER ASSISTANCE ORDER. A TAXPAYER ASSISTANCE ORDER IS BINDING ON THE TAX COLLECTOR UNTIL IT IS REVERSED OR RESCINDED.

(d) THE RUNNING OF THE APPLICABLE STATUTE OF LIMITATIONS FOR ANY ACTION THAT IS THE SUBJECT OF A TAXPAYER ASSISTANCE ORDER IS SUSPENDED FROM THE DATE THE TAXPAYER APPLIES FOR THE ORDER OR THE DATE THE ORDER IS ISSUED, WHICHEVER IS EARLIER, UNTIL THE ORDER'S EXPIRATION DATE, MODIFICATION DATE OR RECISION DATE, IF ANY. INTEREST THAT WOULD OTHERWISE ACCRUE ON AN OUTSTANDING TAX OBLIGATION IS NOT AFFECTED BY THE ISSUANCE OF A TAXPAYER ASSISTANCE ORDER.

(e) A TAXPAYER ASSISTANCE ORDER MAY NOT BE USED:
   (1) TO CONTEST THE MERITS OF A TAX LIABILITY.
   (2) TO SUBSTITUTE FOR INFORMAL PROTEST PROCEDURES OR ADMINISTRATIVE OR JUDICIAL PROCEEDINGS TO REVIEW A DEFICIENCY ASSESSMENT, COLLECTION ACTION OR DENIAL OF A REFUND CLAIM.

Sec. 8A-517. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-517. BASIS FOR EVALUATING EMPLOYEE PERFORMANCE. (LOCAL AUDITS)

(a) THE TAX COLLECTOR SHALL SOLICIT EVALUATIONS FROM TAXPAYERS AND INCLUDE SUCH EVALUATIONS IN THE PERFORMANCE APPRAISALS OF HIS EMPLOYEES, WHERE APPLICABLE.

(b) THE TAX COLLECTOR SHALL NOT EVALUATE AN EMPLOYEE ON THE BASIS OF TAXES ASSESSED OR COLLECTED BY THAT EMPLOYEE.

Sec. 8A-541. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-541. ERRONEOUS ADVICE OR MISLEADING STATEMENTS BY THE TAX COLLECTOR; ABATEMENT OF PENALTIES AND INTEREST; DEFINITION. (LOCAL AUDITS)

(a) NOTWITHSTANDING SECTION 8A-540(a), NO INTEREST OR PENALTY MAY BE ASSESSED ON AN AMOUNT ASSESSED AS A DEFICIENCY IF EITHER:
   (1) THE DEFICIENCY ASSESSED IS DIRECTLY ATTRIBUTABLE TO ERRONEOUS WRITTEN ADVICE FURNISHED TO THE TAXPAYER BY AN EMPLOYEE OF THE CITY ACTING IN AN OFFICIAL CAPACITY IN RESPONSE TO A SPECIFIC REQUEST FROM THE TAXPAYER AND NOT FROM THE TAXPAYER'S FAILURE TO PROVIDE ADEQUATE OR ACCURATE INFORMATION.
   (2) ALL OF THE FOLLOWING ARE TRUE:
      (A) A TAX RETURN FORM PREPARED BY THE TAX COLLECTOR CONTAINS A STATEMENT THAT, IF FOLLOWED BY A TAXPAYER, WOULD CAUSE THE TAXPAYER TO MISAPPLY THIS CHAPTER.
      (B) THE TAXPAYER REASONABLY RELIES ON THE STATEMENT.
      (C) THE TAXPAYER'S UNDERPAYMENT DIRECTLY RESULTS FROM THIS RELIANCE.

(b) EACH EMPLOYEE OF THE TAX COLLECTOR, AT THE TIME ANY ORAL ADVICE IS GIVEN TO ANY PERSON, SHALL INFORM THE PERSON THAT THE TAX COLLECTOR IS NOT BOUND BY SUCH ORAL ADVICE.

(c) FOR PURPOSES OF THIS SECTION "TAX RETURN FORM" INCLUDES THE INSTRUCTIONS THAT THE TAX COLLECTOR PREPARES FOR USE WITH THE TAX RETURN FORM.

Sec. 8A-546. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-546. CLOSING AGREEMENTS IN CASES OF EXTENSIVE TAXPAYER MISUNDERSTANDING OR MISAPPLICATION; APPROVAL; RULES. (LOCAL AUDITS)

(a) IF THE TAX COLLECTOR DETERMINES THAT NONCOMPLIANCE WITH TAX OBLIGATIONS RESULTS FROM EXTENSIVE MISUNDERSTANDING OR MISAPPLICATION OF PROVISIONS OF THIS CHAPTER IT MAY ENTER INTO CLOSING AGREEMENTS WITH THOSE TAXPAYERS UNDER THE FOLLOWING TERMS AND CONDITIONS:
   (1) EXTENSIVE MISUNDERSTANDING OR MISAPPLICATION OF THE TAX LAWS OCCURS IF THE TAX COLLECTOR DETERMINES THAT MORE THAN SIXTY PERCENT (60%) OF THE PERSONS IN THE AFFECTED CLASS HAVE FAILED TO PROPERLY ACCOUNT FOR THEIR TAXES OWING TO THE SAME MISUNDERSTANDING OR MISAPPLICATION OF THE TAX LAWS.
   (2) THE TAX COLLECTOR SHALL PUBLICLY DECLARE THE NATURE OF THE POSSIBLE MISAPPLICATION AND THE PROPOSED DEFINITION OF THE CLASS OF AFFECTED TAXPAYERS AND SHALL CONDUCT A PUBLIC

HEARING TO HEAR TESTIMONY REGARDING THE EXTENT OF THE MISAPPLICATION AND THE DEFINITION OF THE AFFECTED CLASS.

(3) IF, AFTER THE PUBLIC HEARING, THE TAX COLLECTOR DETERMINES THAT A CLASS OF AFFECTED TAXPAYERS HAS FAILED TO COMPLY WITH THEIR TAX OBLIGATIONS BECAUSE OF EXTENSIVE MISUNDERSTANDING OR MISAPPLICATION OF THE TAX LAWS IT SHALL ISSUE A TAX RULING ANNOUNCING THAT FINDING AND PUBLISH THE RULING IN A NEWSPAPER OF GENERAL CIRCULATION IN THE CITY AND THROUGH THE NEXT TWO MODEL CITY TAX CODE UPDATES.

(4) A CLOSING AGREEMENT UNDER THIS SECTION MAY ABATE SOME OR ALL OF THE PENALTIES, INTEREST AND TAX THAT TAXPAYERS HAVE FAILED TO REMIT, OR THE AGREEMENT MAY PROVIDE FOR THE PROSPECTIVE TREATMENT OF THE MATTER AS TO THE CLASS OF AFFECTED TAXPAYERS. ALL TAXPAYERS IN THE CLASS SHALL BE OFFERED THE OPPORTUNITY TO ENTER INTO A SIMILAR AGREEMENT FOR THE SAME TAX PERIODS.

(5) TAXPAYERS IN THE AFFECTED CLASS WHO HAVE PROPERLY ACCOUNTED FOR THEIR TAX OBLIGATIONS FOR THESE TAX PERIODS SHALL BE OFFERED THE OPPORTUNITY TO ENTER INTO AN EQUIVALENT CLOSING AGREEMENT PROVIDING FOR A PRO RATA CREDIT OR REFUND OF THEIR TAXES PREVIOUSLY PAID.

(6) THE CLOSING AGREEMENT SHALL REQUIRE THE TAXPAYERS TO PROPERLY ACCOUNT FOR AND PAY SUCH TAXES IN THE FUTURE. IF A TAXPAYER FAILS TO ADHERE TO SUCH A REQUIREMENT, THE CLOSING AGREEMENT IS VOIDABLE BY THE TAX COLLECTOR AND HE MAY ASSESS THE TAXPAYER FOR THE DELINQUENT TAXES. THE TAX COLLECTOR MAY ISSUE SUCH A PROPOSED ASSESSMENT WITHIN SIX MONTHS AFTER THE DATE THAT HE DECLARES THAT CLOSING AGREEMENT VOID OR WITHIN THE PERIOD PRESCRIBED BY SECTION 8A-550 OF THIS CHAPTER.

(b) BEFORE ENTERING INTO CLOSING AGREEMENTS PURSUANT TO THIS SECTION, THE TAX COLLECTOR SHALL SECURE SUCH APPROVAL AS REQUIRED BY CHARTER, ORDINANCE OR ADMINISTRATIVE REGULATION.

(c) AFTER A CLOSING AGREEMENT HAS BEEN SIGNED PURSUANT TO THIS SECTION, IT IS FINAL AND CONCLUSIVE EXCEPT ON A SHOWING OF FRAUD, MALFEASANCE OR MISREPRESENTATION OF A MATERIAL FACT. THE CASE SHALL NOT BE REOPENED AS TO THE MATTERS AGREED UPON OR THE AGREEMENT SHALL NOT BE MODIFIED BY ANY OFFICER, EMPLOYEE OR AGENT OF THE CITY. THE AGREEMENT OR ANY DETERMINATION, ASSESSMENT, COLLECTION, PAYMENT ABATEMENT, REFUND OR CREDIT MADE PURSUANT TO THE AGREEMENT SHALL NOT BE ANNULLED, MODIFIED, SET ASIDE OR DISREGARDED IN ANY SUIT, ACTION OR PROCEEDING.

(d) THE TAX COLLECTOR SHALL REPORT IN WRITING ITS ACTIVITIES UNDER THIS SECTION TO THE MAYOR AND CITY COUNCIL ON OR BEFORE FEBRUARY 1 OF EACH YEAR.

Sec. 8A-553. (RESERVED) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-553. EXAMINATION OF TAXPAYER RECORDS; JOINT AUDITS. (LOCAL AUDITS)

(a) WAIVER OF JOINT AUDIT. A TAXPAYER THAT DOES NOT AUTHORIZE A JOINT AUDIT TO BE CONDUCTED FOR A TAX JURISDICTION IS SUBJECT TO AUDIT BY THAT TAX JURISDICTION AT ANY TIME SUBJECT TO THE LIMITATION PROVISIONS PROVIDED IN SECTION 8A-550.

(b) TAX JURISDICTION ACCEPTANCE OF JOINT AUDIT. IF THE ARIZONA DEPARTMENT OF REVENUE INTENDS TO CONDUCT AN AUDIT OF A TAXPAYER, THE CITIES OR CITYS FOR WHOM A JOINT AUDIT IS BEING CONDUCTED MAY ACCEPT THE AUDIT BY THE ARIZONA DEPARTMENT OF REVENUE OR MAY ELECT TO HAVE A REPRESENTATIVE PARTICIPATE, PROVIDED THAT NO MORE THAN TWO CITY OR CITY REPRESENTATIVES IN TOTAL MAY PARTICIPATE.

(1) IF A CITY OR CITY DOES NOT ACCEPT THE AUDIT AS A JOINT AUDIT, THE CITY OR CITY MAY NOT CONDUCT AN AUDIT OF THE TAXPAYER FOR FORTY-TWO MONTHS FROM THE CLOSE OF THE LAST TAX PERIOD COVERED BY THE AUDIT UNLESS AN EXCEPTION APPLIES TO THAT TAXPAYER PURSUANT TO A.R.S. SECTION 42-2059.

(2) IF A JOINT AUDIT IS PERFORMED BY A CITY OR CITY, THE ARIZONA DEPARTMENT OF REVENUE IS NOT PROHIBITED FROM CONDUCTING AN AUDIT THAT DOES NOT VIOLATE THE PROVISIONS OF A.R.S. SECTION 42-2059.

Sec. 8A-556. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-556. NO ADDITIONAL AUDITS OR PROPOSED ASSESSMENTS; EXCEPTIONS. (LOCAL AUDITS)

(a) ONCE THE TAX COLLECTOR COMPLETES AN EXAMINATION AUTHORIZED BY SECTION 8A-555 AND A WRITTEN NOTICE OF THE DETERMINATION OF A DEFICIENCY HAS BEEN ISSUED TO THE TAXPAYER PURSUANT TO SECTION 8A-545(a) OR 8A-555(f), THE TAXPAYER'S LIABILITY FOR THE TIME PERIOD SUBJECTED TO THE EXAMINATION IS FIXED AND DETERMINED, AND NO ADDITIONAL AUDIT OR EXAMINATION MAY BE CONDUCTED BY THE TAX COLLECTOR WITH RESPECT TO SUCH TIME PERIOD EXCEPT UNDER THE FOLLOWING CIRCUMSTANCES.

(1) IF A TAXPAYER FILES A CLAIM FOR REFUND UNDER SECTION 8A-560, THE TAX COLLECTOR MAY CONDUCT AN EXAMINATION LIMITED TO THE ISSUES PRESENTED IN THE REFUND CLAIM.

(2) IF THE TAXPAYER FAILED TO DISCLOSE MATERIAL INFORMATION DURING THE INITIAL EXAMINATION, FALSIFIED BOOKS OR RECORDS, OR OTHERWISE ENGAGED IN CONDUCT WHICH PREVENTED THE TAX COLLECTOR FROM CONDUCTING AN ACCURATE EXAMINATION. THE APPLICABILITY OF THIS SUBSECTION, AND THE TAX COLLECTOR'S RIGHT TO PROCEED THEREUNDER, MAY BE RAISED AND CONTESTED BY THE TAXPAYER IN A SUBSEQUENT ADMINISTRATIVE REVIEW BROUGHT PURSUANT TO SECTION 8A-570.

(b) AN AUDIT OR EXAMINATION CONDUCTED BY ANY OTHER TAXING JURISDICTION WILL NOT PRECLUDE THE TAX COLLECTOR FROM CONDUCTING AN AUDIT OR EXAMINATION FOR THE SAME TIME PERIOD.

(c) IF THE TAX COLLECTOR ISSUES A NOTICE OF DEFICIENCY PURSUANT TO EITHER SECTION 8A-545(a) OR SECTION 8A-555(f), THE TAX COLLECTOR MAY NOT INCREASE THE PROPOSED DEFICIENCY EXCEPT IN ONE OR MORE OF THE FOLLOWING CIRCUMSTANCES:
   (1) THE TAXPAYER MADE A MATERIAL MISREPRESENTATION OF FACT.
   (2) THE TAXPAYER FAILED TO DISCLOSE A MATERIAL FACT.
   (3) THE TAX COLLECTOR SUBMITTED A WRITTEN REQUEST FOR INFORMATION AND THE TAXPAYER, DESPITE POSSESSING OR HAVING ACCESS TO SUCH INFORMATION, FAILED TO PROVIDE IT WITHIN 60 DAYS AS REQUIRED BY SECTION 8A-555(c).
   (4) AFTER ISSUING THE NOTICE OF DETERMINATION OF DEFICIENCY BUT BEFORE THE DEFICIENCY BECAME FINAL, THE ARIZONA TAX COURT, COURT OF APPEALS OR SUPREME COURT ISSUED A DECISION, THE APPLICABILITY OF WHICH CAUSES THE DEFICIENCY INITIALLY PROPOSED TO INCREASE.

Sec. 8A-570. Administrative review; petition for hearing or for redetermination; finality of order. (STATE ADMINISTRATION AND AUDITS)

(a) Closing agreements between the Tax Collector and a taxpayer have no force of law unless made in accordance with the provisions of A.R.S. Section 42-1113.

(b) Administrative review.
   (1) Petitions of appeal shall be made to, and hearings shall be conducted by, the Arizona Department of Revenue, in accordance with the provisions of A.R.S. Section 42-1251, as modified by Section 8A-571.
   (2) (Reserved)
   (3) (Reserved)
   (4) (Reserved)
   (5) Hearings shall be held by the Arizona Department of Revenue in accordance with the provisions of A.R.S. Section 42-1251. The Department's decision may be appealed to the State Board of Tax Appeals, in accordance with the provisions of A.R.S. Section 42-1253.
   (6) (Reserved)
   (7) (Reserved)
   (8) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) Taxpayers shall be subject to the state taxpayer bill of rights (A.R.S. § 42-2051 et. seq.).

Sec. 8A-570. ADMINISTRATIVE REVIEW; PETITION FOR HEARING OR FOR REDETERMINATION; FINALITY OF ORDER. (LOCAL AUDITS)

FOR THE PURPOSES OF THIS SECTION, "MUNICIPAL TAX HEARING OFFICE" MEANS THE ADMINISTRATIVE OFFICES OF THE MUNICIPAL TAX HEARING OFFICER.

(a) INFORMAL CONFERENCE. A TAXPAYER SHALL HAVE THE RIGHT TO DISCUSS ANY PROPOSED ASSESSMENT WITH THE AUDITOR PRIOR TO THE ISSUANCE OF ANY ASSESSMENT, BUT ANY SUCH INFORMAL CONFERENCE IS NOT REQUIRED FOR THE TAXPAYER TO FILE A PETITION FOR ADMINISTRATIVE REVIEW.

(b) ADMINISTRATIVE REVIEW.

(1) FILING A PETITION. OTHER THAN IN THE CASE OF A JEOPARDY ASSESSMENT, A TAXPAYER MAY CONTEST THE APPLICABILITY OR AMOUNT OF TAX, PENALTY, OR INTEREST IMPOSED UPON OR PAID BY HIM PURSUANT TO THIS CHAPTER BY FILING A PETITION FOR A HEARING OR FOR REDETERMINATION WITH THE TAX COLLECTOR AS SET FORTH BELOW:

(A) WITHIN FORTY-FIVE (45) DAYS OF RECEIPT BY THE TAXPAYER OF NOTICE OF A DETERMINATION BY THE TAX COLLECTOR THAT A TAX, PENALTY, OR INTEREST AMOUNT IS DUE, OR THAT A REQUEST FOR REFUND OR CREDIT HAS BEEN DENIED; OR

(B) BY VOLUNTARY PAYMENT OF ANY CONTESTED AMOUNT WHEN ACCOMPANIED BY A TIMELY FILED RETURN AND A PETITION REQUESTING A REFUND OF THE PROTESTED PORTION OF SAID PAYMENT; OR

(C) BY PETITION ACCOMPANYING A TIMELY FILED RETURN CONTESTING AN AMOUNT REPORTED BUT NOT PAID; OR

(D) BY PETITION REQUESTING REVIEW OF DENIAL OF WAIVER OF PENALTY AS PROVIDED IN SUBSECTION 8A-540(G).

(2) EXTENSION TO FILE A PETITION. IN ALL CASES, THE TAXPAYER MAY REQUEST ONLY ONE (1) EXTENSION FROM THE TAX COLLECTOR. SUCH REQUEST MUST BE IN WRITING, STATE THE REASONS FOR THE REQUESTED DELAY AND TIME OF DELAY REQUESTED, AND MUST BE FILED WITH THE TAX COLLECTOR WITHIN THE PERIOD ALLOWED ABOVE FOR ORIGINALLY FILING A PETITION. THE TAX COLLECTOR SHALL ALLOW SUCH EXTENSION TO FILE A PETITION, WHEN SUCH WRITTEN REQUEST HAS BEEN PROPERLY AND TIMELY MADE BY THE TAXPAYER, BUT SUCH EXTENSION SHALL NOT EXCEED FORTY-FIVE (45) DAYS BEYOND THE TIME PROVIDED FOR ORIGINALLY FILING A PETITION.

(3) REQUIREMENTS FOR PETITION.

(A) THE PETITION SHALL BE IN WRITING AND SHALL SET FORTH THE REASONS WHY ANY CORRECTION, ABATEMENT, OR REFUND SHOULD BE GRANTED, AND THE AMOUNT OF REDUCTION OR REFUND REQUESTED. THE PETITION MAY BE AMENDED AT ANY TIME PRIOR TO THE TIME THE TAXPAYER RESTS HIS CASE AT THE HEARING OR SUCH TIME AS THE HEARING OFFICER ALLOWS FOR SUBMITTING OF AMENDMENTS IN CASES OF REDETERMINATIONS WITHOUT HEARINGS. THE HEARING OFFICER MAY REQUIRE THAT AMENDMENTS BE IN WRITING, AND IN THAT CASE, HE SHALL PROVIDE A REASONABLE PERIOD OF TIME TO FILE THE AMENDMENT. THE HEARING OFFICER SHALL PROVIDE A REASONABLE PERIOD OF TIME FOR THE TAX COLLECTOR TO REVIEW AND RESPOND TO THE PETITION AND TO ANY WRITTEN AMENDMENTS.

(B) THE TAXPAYER, AS PART OF THE PETITION, MAY REQUEST A HEARING WHICH SHALL BE GRANTED BY THE HEARING OFFICER. IF NO REQUEST FOR HEARING IS MADE THE PETITION SHALL BE CONSIDERED TO BE SUBMITTED FOR DECISION BY THE HEARING OFFICER ON THE MATTERS CONTAINED IN THE PETITION AND IN ANY REPLY MADE BY THE TAX COLLECTOR.

(C) THE PROVISIONS OF THIS SECTION ARE EXCLUSIVE, AND NO PETITION SEEKING ANY CORRECTION, ABATEMENT, OR REFUND SHALL BE CONSIDERED UNLESS THE PETITION IS TIMELY AND PROPERLY FILED UNDER THE SECTION.

(4) TRANSMITTAL TO HEARING OFFICER. THE CITY SHALL DESIGNATE A HEARING OFFICER, WHO MAY BE OTHER THAN AN EMPLOYEE OF THE CITY. THE TAX COLLECTOR, IF DESIGNATED TO RECEIVE PETITIONS, SHALL FORWARD ANY PETITION TO THE MUNICIPAL TAX HEARING OFFICER (MTHO) WITHIN TWENTY (20) DAYS AFTER RECEIPT, ACCOMPANIED BY DOCUMENTATION AS TO TIMELINESS. IN CASES WHERE THE HEARING OFFICER DETERMINES THAT THE PETITION IS NOT TIMELY OR NOT IN PROPER FORM, HE SHALL NOTIFY BOTH THE TAXPAYER AND THE TAX COLLECTOR; AND IN CASES OF PETITIONS NOT IN PROPER FORM ONLY, THE HEARING OFFICER SHALL PROVIDE THE TAXPAYER WITH AN EXTENSION UP TO FORTY-FIVE (45) DAYS TO CORRECT THE PETITION.

(5) HEARINGS SHALL BE CONDUCTED BY A HEARING OFFICER AND SHALL BE CONTINUOUS UNTIL THE HEARING OFFICER CLOSES THE RECORD. THE TAXPAYER MAY BE HEARD IN PERSON OR BY HIS AUTHORIZED REPRESENTATIVE AT SUCH HEARING. HEARINGS SHALL BE CONDUCTED INFORMALLY AS TO THE ORDER OF PROCEEDING AND PRESENTATION OF EVIDENCE. THE HEARING OFFICER SHALL ADMIT EVIDENCE OVER HEARSAY OBJECTIONS WHERE THE OFFERED EVIDENCE HAS SUBSTANTIAL PROBATIVE VALUE AND RELIABILITY. FURTHER, COPIES OF RECORDS AND DOCUMENTS PREPARED IN THE ORDINARY COURSE OF BUSINESS MAY BE ADMITTED, WITHOUT OBJECTION AS TO FOUNDATION, BUT SUBJECT TO ARGUMENT AS TO WEIGHT, ADMISSIBILITY, AND AUTHENTICITY. SUMMARY ACCOUNTING RECORDS MAY BE ADMITTED SUBJECT TO SATISFACTORY PROOF OF THE RELIABILITY OF THE SUMMARIES. IN ALL CASES, THE DECISION OF THE HEARING OFFICER SHALL BE MADE SOLELY UPON SUBSTANTIAL AND RELIABLE EVIDENCE. ALL EXPENSES INCURRED IN THE HEARING SHALL BE PAID BY THE PARTY INCURRING THE SAME.

(6) REDETERMINATIONS UPON A "PETITION FOR REDETERMINATION" SHALL FOLLOW THE SAME CONDITIONS, EXCEPT THAT NO ORAL HEARING SHALL BE HELD.

(7) HEARING RULING. IN EITHER CASE, THE HEARING OFFICER SHALL ISSUE HIS RULING NOT LATER THAN FORTY-FIVE (45) DAYS AFTER THE CLOSE OF THE RECORD BY THE HEARING OFFICER.

(8) NOTICE OF REFUND OR ADJUSTED ASSESSMENT. WITHIN SIXTY (60) DAYS OF THE ISSUANCE OF THE HEARING OFFICER'S DECISION, THE TAX COLLECTOR SHALL ISSUE TO THE TAXPAYER EITHER A NOTICE OF REFUND OR AN ADJUSTED ASSESSMENT RECALCULATED TO CONFORM TO THE HEARING OFFICER'S DECISION.

(c) STIPULATIONS THAT FUTURE TAX IS ALSO PROTESTED. A TAXPAYER MAY ENTER INTO A STIPULATION WITH THE TAX COLLECTOR THAT FUTURE TAXES OF SIMILAR NATURE ARE ALSO AT ISSUE IN ANY PROTEST OR APPEAL. HOWEVER, UNLESS SUCH STIPULATION IS MADE, IT IS PRESUMED THAT THE PROTEST OR APPEAL DEALS SOLELY AND EXCLUSIVELY WITH THE TAX SPECIFICALLY PROTESTED AND NO OTHER. WHEN A TAXPAYER ENTERS INTO SUCH A STIPULATION WITH THE TAX COLLECTOR THAT FUTURE TAXES OF SIMILAR NATURE WILL BE INCLUDED IN ANY REDETERMINATION, HEARING, OR COURT CASE, IT IS THE BURDEN OF THAT TAXPAYER TO IDENTIFY, SEGREGATE, AND KEEP RECORD OF SUCH INCOME OR PROTESTED TAXABLE AMOUNT IN HIS BOOKS AND RECORDS IN THE SAME MANNER AS THE TAXPAYER IS REQUIRED TO SEGREGATE EXEMPT INCOME.

(d) WHEN AN ASSESSMENT IS FINAL.

(1) IF A REQUEST FOR ADMINISTRATIVE REVIEW AND PETITION FOR HEARING OR REDETERMINATION OF AN ASSESSMENT MADE BY THE TAX COLLECTOR IS NOT FILED WITHIN THE PERIOD REQUIRED BY SUBSECTION (B) ABOVE, SUCH PERSON SHALL BE DEEMED TO HAVE WAIVED AND ABANDONED THE RIGHT TO QUESTION THE AMOUNT DETERMINED TO BE DUE AND ANY TAX, INTEREST, OR PENALTY DETERMINED TO BE DUE SHALL BE FINAL AS PROVIDED IN SUBSECTIONS 8A-545(A) AND 8A-555(F).

(2) THE DECISION MADE BY THE HEARING OFFICER UPON ADMINISTRATIVE REVIEW BY HEARING OR REDETERMINATION SHALL BECOME FINAL THIRTY (30) DAYS AFTER THE TAXPAYER RECEIVES THE NOTICE OF REFUND OR ADJUSTED ASSESSMENT REQUIRED BY SUBSECTION (B)(8) ABOVE, UNLESS THE TAXPAYER APPEALS THE ORDER OR DECISION IN THE MANNER PROVIDED IN SECTION 8A-575.

(e) THE PROVISIONS OF THE STATE TAXPAYER BILL OF RIGHTS (A.R.S. SECTION 42-2051 ET. SEQ.) SHALL NOT APPLY.

Sec. 8A-571. Jeopardy assessments. (STATE ADMINISTRATION AND AUDITS)

(a) If the Tax Collector believes that collection of any amounts imposed by this Chapter will be jeopardized by delay, he shall issue notice to the taxpayer in accordance with the provisions of A.R.S. Section 42-1111.

(b) In cases where such jeopardy notice has been issued, the taxpayer must meet the provisions of A.R.S. Section 42-1111, concerning appeals of jeopardy assessments, before any request for administrative review shall be honored. Any bond or collateral that may be required shall meet the provisions of A.R.S. Section 42-1102.

(c) (Reserved)

(d) (Reserved)

(e) (Reserved)

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Sec. 8A-571. JEOPARDY ASSESSMENTS. (LOCAL AUDITS)

(a) IF THE TAX COLLECTOR BELIEVES THAT THE COLLECTION OF ANY ASSESSMENT OR DEFICIENCY OF ANY AMOUNTS IMPOSED BY THIS CHAPTER WILL BE JEOPARDIZED BY DELAY, HE SHALL DELIVER TO THE TAXPAYER A NOTICE OF SUCH FINDING AND DEMAND IMMEDIATE PAYMENT OF THE TAX OR DEFICIENCY DECLARED TO BE IN JEOPARDY, INCLUDING INTEREST, PENALTIES, AND ADDITIONS.

(b) JEOPARDY ASSESSMENTS ARE IMMEDIATELY DUE AND PAYABLE, AND THE TAX COLLECTOR MAY IMMEDIATELY BEGIN PROCEEDINGS FOR COLLECTION. THE TAXPAYER, HOWEVER, MAY STAY COLLECTION BY FILING, WITHIN TEN (10) DAYS AFTER RECEIPT OF NOTICE OF JEOPARDY ASSESSMENT, OR WITHIN SUCH ADDITIONAL TIME AS THE TAX COLLECTOR MAY ALLOW, BY BOND OR COLLATERAL IN FAVOR OF THE CITY IN THE AMOUNT TAX COLLECTOR DECLARED TO BE IN JEOPARDY IN HIS NOTICE.

(c) "BOND OR COLLATERAL", AS REQUIRED BY THIS SECTION,
   (1) SHALL MEAN EITHER:
      (A) A BOND ISSUED IN FAVOR OF THE CITY BY A SURETY COMPANY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE AND APPROVED BY THE DIRECTOR OF INSURANCE AS TO SOLVENCY AND RESPONSIBILITY, OR
      (B) COLLATERAL COMPOSED OF SECURITIES OR CASH WHICH ARE DEPOSITED WITH, AND KEPT IN THE CUSTODY OF, THE TAX COLLECTOR.
   (2) SHALL BE OF SUCH FORM THAT IT MAY, AT ANY TIME WITHOUT NOTICE, BE APPLIED TO ANY TAX, PENALTIES, OR INTEREST DUE AND PAYABLE FOR THE PURPOSES OF THIS CHAPTER. SECURITIES HELD AS COLLATERAL BY THE TAX COLLECTOR MUST BE OF A NATURE THAT THEY MAY BE SOLD AT PUBLIC OR PRIVATE SALE WITHOUT NOTICE TO THE TAXPAYER.

(d) IF BOND OR COLLATERAL IS NOT FILED WITHIN THE PERIOD PRESCRIBED BY SUBSECTION (b) ABOVE, THE TAX COLLECTOR MAY TREAT THE ASSESSMENT AS FINAL FOR PURPOSES OF ANY COLLECTION PROCEEDINGS. THE TAXPAYER NEVERTHELESS SHALL BE AFFORDED THE APPEAL RIGHTS PROVIDED IN SECTIONS 8A-570 AND 8A-575. THE FILING OF A PETITION BY THE TAXPAYER UNDER SECTION 8A-570, HOWEVER, SHALL NOT STAY THE TAX COLLECTOR'S RIGHTS TO PURSUE ANY COLLECTION PROCEEDINGS.

(e) IF THE TAXPAYER TIMELY FILES SUFFICIENT BOND OR COLLATERAL, THE JEOPARDY REQUIREMENTS ARE DEEMED SATISFIED, AND THE TAXPAYER MAY AVAIL HIMSELF OF THE PROVISIONS OF SECTION 8A-570, INCLUDING REQUESTS FOR ADDITIONAL TIME TO FILE A PETITION.

Sec. 8A-572. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-572. EXPEDITED REVIEW OF JEOPARDY ASSESSMENTS. (LOCAL AUDITS)

(a) WITHIN THIRTY (30) DAYS AFTER THE DAY ON WHICH THE TAX COLLECTOR FURNISHES THE WRITTEN NOTICE REQUIRED BY SECTION 8A-571(a), THE TAXPAYER, PURSUANT TO SECTION 8A-570, MAY REQUEST THE TAX COLLECTOR TO REVIEW THE ACTION TAKEN. WITHIN FIFTEEN (15) DAYS AFTER THE REQUEST FOR REVIEW, THE TAX COLLECTOR SHALL DETERMINE WHETHER BOTH THE JEOPARDY DETERMINATION AND THE AMOUNT ASSESSED ARE REASONABLE.

(b) WITHIN THIRTY (30) DAYS AFTER THE TAX COLLECTOR NOTIFIES THE TAXPAYER OF THE DETERMINATION HE REACHED PURSUANT TO SUBSECTION (a) ABOVE, THE TAXPAYER MAY BRING A CIVIL ACTION IN THE APPROPRIATE COURT. IF THE TAXPAYER SO REQUESTS, THE CITY SHALL STIPULATE TO AN ACCELERATED AND EXPEDITED RESOLUTION OF THE CIVIL ACTION. IF THE COURT DETERMINES THAT EITHER THE JEOPARDY DETERMINATION OR THE AMOUNT ASSESSED IS UNREASONABLE, THE COURT MAY ORDER THE TAX COLLECTOR TO ABATE THE ASSESSMENT, TO REDETERMINE ANY PART OF THE AMOUNT ASSESSED OR TO TAKE SUCH OTHER ACTION AS THE COURT FINDS TO BE APPROPRIATE. A DETERMINATION MADE BY THE COURT UNDER THIS SUBSECTION IS FINAL EXCEPT AS PROVIDED IN ARIZONA REVISED STATUTES § 12-170.

Sec. 8A-575. Judicial review. (STATE ADMINISTRATION AND AUDITS)

(a) Appeal of a State Board of Tax Appeals decision to the courts is valid only if all the provisions of A.R.S. Section 42-1254 are met.

(b) (Reserved)

(c) (Reserved)

(d) (Reserved)

(e) The City has the burden of proof by a preponderance of the evidence in any court proceeding regarding any factual issue relevant to ascertaining the tax liability of a taxpayer. This subsection does not abrogate any requirement of this Chapter that requires a taxpayer to substantiate an item of gross income, exclusion, exemption, deduction, or credit. This subsection applies to a factual issue if a preponderance of the evidence demonstrates that:
   (1) the taxpayer asserts a reasonable dispute regarding the issue.
   (2) the taxpayer has fully cooperated with the tax collector regarding the issue, including providing within a reasonable period of time, access to and inspection of all witnesses, information and documents within the taxpayer's control, as reasonably requested by the tax collector.
   (3) the taxpayer has kept and maintained records as required by the City.

(f) The issuance of an adjusted or corrected assessment or notice of refund due to the taxpayer, where made by the Tax Collector pursuant to the decision of the Hearing Officer, shall not be deemed an acquiescence by the City or the Tax Collector in said decision, nor shall it constitute a bar or estoppel to the institution of an action or counterclaim by the City to recover any amounts claimed to be due to it by virtue of the original assessment.

(g) After the initiation of any action in the appropriate court by either party, the opposite party may file such counterclaim as would be allowed pursuant to the Arizona Rules of Civil Procedure.

Sec. 8A-575. JUDICIAL REVIEW. (LOCAL AUDITS)

(a) A TAXPAYER MAY SEEK JUDICIAL REVIEW OF ALL OR ANY PART OF A HEARING OFFICER'S DECISION BY INITIATING AN ACTION AGAINST THE CITY IN THE APPROPRIATE COURT OF THIS COUNTY. A TAXPAYER IS NOT REQUIRED TO PAY ANY TAX, PENALTY, OR INTEREST UPHELD BY THE HEARING OFFICER BEFORE SEEKING SUCH JUDICIAL REVIEW.

(b) THE TAX COLLECTOR MAY SEEK JUDICIAL REVIEW OF ALL OR ANY PART OF A HEARING OFFICER'S DECISION BY INITIATING AN ACTION IN THE APPROPRIATE COURT OF THIS COUNTY.

(c) AN ACTION FOR JUDICIAL REVIEW CAN NOT BE COMMENCED BY EITHER THE TAXPAYER OR THE TAX COLLECTOR MORE THAN THIRTY (30) DAYS AFTER RECEIPT BY THE TAXPAYER OF NOTICE OF ANY REFUND OR ASSESSMENT RECALCULATED OR REDUCED TO CONFORM TO THE HEARING OFFICER'S DECISION, UNLESS THE TIME TO COMMENCE SUCH AN ACTION IS EXTENDED IN WRITING SIGNED BY BOTH THE TAXPAYER AND THE TAX COLLECTOR. FAILURE TO BRING THE ACTION WITHIN THIRTY (30) DAYS OR SUCH OTHER TIME AS IS AGREED UPON IN WRITING SHALL CONSTITUTE A WAIVER OF ANY RIGHT TO JUDICIAL REVIEW, EXCEPT AS PROVIDED IN SUBSECTION (f) BELOW.

(d) THE COURT SHALL HEAR AND DETERMINE THE APPEAL AS A TRIAL DE NOVO; HOWEVER, THE TAX COLLECTOR CANNOT RAISE IN THE COURT ANY GROUNDS OR BASIS FOR THE ASSESSMENT NOT ASSERTED BEFORE THE HEARING OFFICER. NOTHING IN THIS SUBSECTION, HOWEVER, SHALL PRECLUDE THE TAX COLLECTOR FROM RESPONDING TO ANY ARGUMENTS, WHICH ARE RAISED BY THE TAXPAYER IN THE APPEAL.

(e) THE CITY HAS THE BURDEN OF PROOF BY A PREPONDERANCE OF THE EVIDENCE IN ANY COURT PROCEEDING REGARDING ANY FACTUAL ISSUE RELEVANT TO ASCERTAINING THE TAX LIABILITY OF A TAXPAYER. THIS SUBSECTION DOES NOT ABROGATE ANY REQUIREMENT OF THIS CHAPTER THAT REQUIRES A TAXPAYER TO SUBSTANTIATE AN ITEM OF GROSS INCOME, EXCLUSION, EXEMPTION, DEDUCTION, OR CREDIT. THIS SUBSECTION APPLIES TO A FACTUAL ISSUE IF A PREPONDERANCE OF THE EVIDENCE DEMONSTRATES THAT:

(1) THE TAXPAYER ASSERTS A REASONABLE DISPUTE REGARDING THE ISSUE.
(2) THE TAXPAYER HAS FULLY COOPERATED WITH THE TAX COLLECTOR REGARDING THE ISSUE, INCLUDING PROVIDING WITHIN A REASONABLE PERIOD OF TIME, ACCESS TO AND INSPECTION OF ALL WITNESSES, INFORMATION AND DOCUMENTS WITHIN THE TAXPAYER'S CONTROL, AS REASONABLY REQUESTED BY THE TAX COLLECTOR.
(3) THE TAXPAYER HAS KEPT AND MAINTAINED RECORDS AS REQUIRED BY THE CITY.

(f) THE ISSUANCE OF AN ADJUSTED OR CORRECTED ASSESSMENT OR NOTICE OF REFUND DUE TO THE TAXPAYER, WHERE MADE BY THE TAX COLLECTOR PURSUANT TO THE DECISION OF THE HEARING OFFICER, SHALL NOT BE DEEMED AN ACQUIESCENCE BY THE CITY OR THE TAX COLLECTOR IN SAID DECISION, NOR SHALL IT CONSTITUTE A BAR OR ESTOPPEL TO THE INSTITUTION OF AN ACTION OR COUNTERCLAIM BY THE CITY TO RECOVER ANY AMOUNTS CLAIMED TO BE DUE TO IT BY VIRTUE OF THE ORIGINAL ASSESSMENT.

(g) AFTER THE INITIATION OF ANY ACTION IN THE APPROPRIATE COURT BY EITHER PARTY, THE OPPOSITE PARTY MAY FILE SUCH COUNTERCLAIM AS WOULD BE ALLOWED PURSUANT TO THE ARIZONA RULES OF CIVIL PROCEDURE.

Sec. 8A-578. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-578. REIMBURSEMENT OF FEES AND OTHER COSTS; DEFINITIONS. (LOCAL AUDITS)

(a) A TAXPAYER WHO IS A PREVAILING PARTY MAY BE REIMBURSED FOR REASONABLE FEES AND OTHER COSTS RELATED TO ANY ADMINISTRATIVE PROCEEDING BROUGHT BY THE TAXPAYER PURSUANT TO SECTION 8A-570(b). FOR PURPOSES OF THIS SECTION, A TAXPAYER IS CONSIDERED TO BE THE PREVAILING PARTY ONLY IF BOTH OF THE FOLLOWING ARE TRUE:
(1) THE TAX COLLECTOR'S POSITION WAS NOT SUBSTANTIALLY JUSTIFIED.
(2) THE TAXPAYER PREVAILS AS TO THE MOST SIGNIFICANT ISSUE OR SET OF ISSUES.

(b) REIMBURSEMENT UNDER THIS SECTION MAY BE DENIED IF ANY OF THE FOLLOWING CIRCUMSTANCES APPLY:
(1) DURING THE COURSE OF THE PROCEEDING THE TAXPAYER UNDULY AND UNREASONABLY PROTRACTED THE FINAL RESOLUTION OF THE MATTER.
(2) THE REASON THAT THE TAXPAYER PREVAILED IS DUE TO AN INTERVENING CHANGE IN THE APPLICABLE LAW.

(c) THE TAXPAYER SHALL PRESENT AN ITEMIZATION OF THE REASONABLE FEES AND OTHER COSTS TO THE TAXPAYER PROBLEM RESOLUTION OFFICER WITHIN THIRTY (30) DAYS AFTER RECEIPT BY THE TAXPAYER OF A NOTICE OF REFUND OR RECALCULATED ASSESSMENT ISSUED BY THE TAX COLLECTOR PURSUANT TO SECTION 8A-570(b)(8). THE TAXPAYER PROBLEM RESOLUTION OFFICER

SHALL DETERMINE THE VALIDITY OF THE FEES AND OTHER COSTS WITHIN THIRTY (30) DAYS AFTER RECEIVING THE ITEMIZATION. THE TAXPAYER PROBLEM RESOLUTION OFFICER'S DECISION IS CONSIDERED A FINAL DECISION. EITHER THE TAXPAYER OR THE TAX COLLECTOR MAY SEEK JUDICIAL REVIEW OF THE TAXPAYER PROBLEM RESOLUTION OFFICER'S DECISION. AN ACTION FOR JUDICIAL REVIEW, HOWEVER, SHALL NOT BE COMMENCED MORE THAN THIRTY (30) DAYS AFTER RECEIPT OF THE RESOLUTION OFFICER'S DECISION.

(d) IN THE EVENT JUDICIAL REVIEW IS NOT SOUGHT PURSUANT TO SUBSECTION (c) ABOVE, THE CITY SHALL PAY THE FEES AND OTHER COSTS AWARDED AS PROVIDED IN THIS SECTION WITHIN THIRTY DAYS AFTER DEMAND BY A PERSON WHO HAS RECEIVED AN AWARD PURSUANT TO THIS SECTION.

(e) REIMBURSEMENT TO A TAXPAYER UNDER THIS SECTION SHALL NOT EXCEED TWENTY THOUSAND DOLLARS OR ACTUAL MONIES SPENT, WHICHEVER IS LESS. THE REIMBURSABLE ATTORNEY OR REPRESENTATIVE FEES SHALL NOT EXCEED ONE HUNDRED DOLLARS PER HOUR OR ACTUAL MONIES SPENT, WHICHEVER IS LESS, UNLESS THE TAXPAYER PROBLEM RESOLUTION OFFICER DETERMINES THAT AN INCREASE IN THE COST OF LIVING OR A SPECIAL FACTOR SUCH AS THE LIMITED AVAILABILITY OF QUALIFIED ATTORNEYS OR REPRESENTATIVES FOR THE PROCEEDING INVOLVED JUSTIFIES A HIGHER FEE.

(f) FOR PURPOSES OF THIS SECTION "REASONABLE FEES AND OTHER COSTS" MEANS FEES AND OTHER COSTS THAT ARE BASED ON PREVAILING MARKET RATES FOR THE KIND AND QUALITY OF THE FURNISHED SERVICES, BUT NOT EXCEEDING THE AMOUNTS ACTUALLY SPENT FOR EXPERT WITNESSES, THE COST OF ANY STUDY, ANALYSIS, REPORT, TEST OR PROJECT THAT IS FOUND TO BE NECESSARY TO PREPARE THE PARTY'S CASE AND NECESSARY FEES FOR ATTORNEYS OR OTHER REPRESENTATIVES.

Sec. 8A-590. Civil actions. (STATE ADMINISTRATION AND AUDITS)

(a) Liens.

(1) Any tax, penalty, or interest imposed under this Chapter which has become final, as provided in this Chapter, shall become a lien when the City perfects a notice and claim of lien setting forth the name of the taxpayer, the amount of the tax, penalty, and interest, the period or periods for which the same is due, and the date of accrual thereof, the amount of the recording costs by the county recorder in any county in which the taxpayer owns real property and the documentation and lien processing fees imposed by the City council and further, stating that the City claims a lien therefore.

(2) The notice of claim of lien shall be signed by the City clerk under his official seal or the official seal of the City, and, with respect to real property, shall be recorded in the office of the County Recorder of any county in which the taxpayer owns real property, and, with respect to personal property shall be filed in the office of the Secretary of State. After the notice and claim of lien is recorded or filed, the taxes, penalties, interest and recording costs and lien processing fees referred to above in the amounts specified therein shall be a lien on all real property of the taxpayer located in such county where recorded, and all tangible personal property of the

taxpayer within the State, superior to all other liens and assessments recorded or filed subsequent to the recording or filing of the notice and claim of lien.

(3) Every tax and any increases, interest, penalties, and recording costs and lien processing fees referred to above, shall become from the time the same is due and payable a personal debt from the person liable to the City, but shall be payable to and recoverable by the Tax Collector and which may be collected in the manner set forth in subsection (b) below.

(4) Any lien perfected pursuant to this Section shall, upon payment of the taxes, penalties, interest, recording costs and lien processing fees referred to above and lien release fees imposed by the county recorder in any county in which the lien was recorded, thereby, be released by the Tax Collector in the same manner as mortgages and judgments are released. The Tax Collector may, at his sole discretion, release a lien in part, that is, against only specified property, for partial payment of moneys due the City.

(b) Actions to recover tax. The Arizona Department of Revenue, or any agent or representative authorized by that Department, may bring action, in the name of the City, to recover taxes as provided in A.R.S. Section 42-1114.

Sec. 8A-590. CIVIL ACTIONS. (LOCAL AUDITS)

(a) LIENS.

(1) ANY TAX, PENALTY, OR INTEREST IMPOSED UNDER THIS CHAPTER WHICH HAS BECOME FINAL, AS PROVIDED IN THIS CHAPTER, SHALL BECOME A LIEN WHEN THE CITY PERFECTS A NOTICE AND CLAIM OF LIEN SETTING FORTH THE NAME OF THE TAXPAYER, THE AMOUNT OF THE TAX, PENALTY, AND INTEREST, THE PERIOD OR PERIODS FOR WHICH THE SAME IS DUE, AND THE DATE OF ACCRUAL THEREOF, THE AMOUNT OF THE RECORDING COSTS BY THE COUNTY RECORDER IN ANY COUNTY IN WHICH THE TAXPAYER OWNS REAL PROPERTY AND THE DOCUMENTATION AND LIEN PROCESSING FEES IMPOSED BY THE CITY COUNCIL AND FURTHER, STATING THAT THE CITY CLAIMS A LIEN THEREFOR.

(2) THE NOTICE OF CLAIM OF LIEN SHALL BE SIGNED BY THE CITY CLERK UNDER HIS OFFICIAL SEAL OR THE OFFICIAL SEAL OF THE CITY, AND, WITH RESPECT TO REAL PROPERTY, SHALL BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF ANY COUNTY IN WHICH THE TAXPAYER OWNS REAL PROPERTY, AND, WITH RESPECT TO PERSONAL PROPERTY SHALL BE FILED IN THE OFFICE OF THE SECRETARY OF STATE. AFTER THE NOTICE AND CLAIM OF LIEN IS RECORDED OR FILED, THE TAXES, PENALTIES, INTEREST AND RECORDING COSTS AND LIEN PROCESSING FEES REFERRED TO ABOVE IN THE AMOUNTS SPECIFIED THEREIN SHALL BE A LIEN ON ALL REAL PROPERTY OF THE TAXPAYER LOCATED IN SUCH COUNTY WHERE RECORDED, AND ALL TANGIBLE PERSONAL PROPERTY OF THE TAXPAYER WITHIN THE STATE, SUPERIOR TO ALL OTHER LIENS AND ASSESSMENTS RECORDED OR FILED SUBSEQUENT TO THE RECORDING OR FILING OF THE NOTICE AND CLAIM OF LIEN.

(3) EVERY TAX AND ANY INCREASES, INTEREST, PENALTIES, AND RECORDING COSTS AND LIEN PROCESSING FEES REFERRED TO ABOVE, SHALL BECOME FROM THE TIME THE SAME IS DUE AND PAYABLE A PERSONAL

DEBT FROM THE PERSON LIABLE TO THE CITY, BUT SHALL BE PAYABLE TO AND RECOVERABLE BY THE TAX COLLECTOR AND WHICH MAY BE COLLECTED IN THE MANNER SET FORTH IN SUBSECTION (b) BELOW.

(4) ANY LIEN PERFECTED PURSUANT TO THIS SECTION SHALL, UPON PAYMENT OF THE TAXES, PENALTIES, INTEREST, RECORDING COSTS AND LIEN PROCESSING FEES REFERRED TO ABOVE AND LIEN RELEASE FEES IMPOSED BY THE COUNTY RECORDER IN ANY COUNTY IN WHICH THE LIEN WAS RECORDED, THEREBY, BE RELEASED BY THE TAX COLLECTOR IN THE SAME MANNER AS MORTGAGES AND JUDGMENTS ARE RELEASED. THE TAX COLLECTOR MAY, AT HIS SOLE DISCRETION, RELEASE A LIEN IN PART, THAT IS, AGAINST ONLY SPECIFIED PROPERTY, FOR PARTIAL PAYMENT OF MONEYS DUE THE CITY.

(b) ACTIONS TO RECOVER TAX. AN ACTION MAY BE BROUGHT BY THE CITY ATTORNEY OR OTHER LEGAL ADVISOR TO THE CITY DESIGNATED BY THE CITY COUNCIL, AT THE REQUEST OF THE TAX COLLECTOR, IN THE NAME OF THE CITY, TO RECOVER THE AMOUNT OF ANY TAXES, PENALTIES, INTEREST, RECORDING COSTS, LIEN PROCESSING FEES AND LIEN RELEASE FEES DUE UNDER THIS CHAPTER; PROVIDED THAT:

(1) NO ACTION OR PROCEEDING MAY BE TAKEN OR COMMENCED TO COLLECT ANY TAXES LEVIED BY THIS CHAPTER UNTIL THE AMOUNT THEREOF HAS BEEN ESTABLISHED BY ASSESSMENT, CORRECTION, OR REASSESSMENT; AND

(2) SUCH COLLECTION EFFORT IS MADE OR THE PROCEEDINGS BEGUN:

(A) WITHIN SIX (6) YEARS AFTER THE ASSESSMENT OF THE TAX; OR

(B) PRIOR TO THE EXPIRATION OF ANY PERIOD OF COLLECTION AGREED UPON IN WRITING BY THE TAX COLLECTOR AND THE TAXPAYER BEFORE THE EXPIRATION OF SUCH SIX (6) YEAR PERIOD, OR ANY EXTENSIONS THEREOF; OR

(C) AT ANY TIME FOR THE COLLECTION OF TAX ARISING BY REASON OF A TAX LIEN PERFECTED, RECORDED, OR POSSESSED BY THE CITY UNDER THIS SECTION.

Sec. 8A-596. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-596. AGREEMENT FOR INSTALLMENT PAYMENTS OF TAX. (LOCAL AUDITS)

(a) THE CITY MAY ENTER INTO AN AGREEMENT WITH A TAXPAYER TO ALLOW THE TAXPAYER TO SATISFY A LIABILITY FOR ANY TAX IMPOSED BY THIS CHAPTER BY MEANS OF INSTALLMENT PAYMENTS. THE TAX COLLECTOR MAY REQUIRE A TAXPAYER WHO REQUESTS AN INSTALLMENT PAYMENT AGREEMENT TO COMPLETE A FINANCIAL REPORT IN SUCH FORM AND MANNER AS THE TAX COLLECTOR MAY PRESCRIBE.

(b) THE TAX COLLECTOR, WITHOUT NOTICE, MAY ALTER, MODIFY OR TERMINATE AN INSTALLMENT PAYMENT AGREEMENT IF THE TAXPAYER:

(1) FAILS TO PAY AN INSTALLMENT AT THE TIME THE INSTALLMENT PAYMENT IS DUE UNDER THE AGREEMENT.

(2) FAILS TO PAY ANY OTHER TAX LIABILITY AT THE TIME THE LIABILITY IS DUE.
(3) FAILS TO FILE ANY TAX REPORT OR RETURN AT THE TIME THE REPORT OR RETURN IS DUE.
(4) FAILS TO FURNISH ANY INFORMATION REQUESTED BY THE TAX COLLECTOR WITHIN THIRTY DAYS AFTER RECEIVING A WRITTEN REQUEST FOR SUCH INFORMATION.
(5) FAILS TO NOTIFY THE TAX COLLECTOR OF A MATERIAL IMPROVEMENT IN THE TAXPAYER'S FINANCIAL CONDITION ABOVE THE INCOME PREVIOUSLY REPORTED IN THE MOST RECENT INCOME STATEMENT WITHIN THIRTY DAYS AFTER THE MATERIAL IMPROVEMENT.
(6) PROVIDES INACCURATE, FALSE OR INCOMPLETE INFORMATION TO THE TAX COLLECTOR.

(c) NOTWITHSTANDING ANY INSTALLMENT PAYMENT AGREEMENT, THE TAX COLLECTOR MAY OFFSET ANY TAX REFUNDS AGAINST THE LIABILITIES PROVIDED FOR IN THE INSTALLMENT PAYMENT AGREEMENT, MAY FILE AND PERFECT ANY TAX LIENS AND, IN THE EVENT THE TAXPAYER BREACHES ANY TERM OR PROVISION OF THE INSTALLMENT PAYMENT AGREEMENT, MAY ENGAGE IN COLLECTION ACTIVITIES.

(d) THE TAX COLLECTOR, WITHOUT NOTICE, MAY TERMINATE AN INSTALLMENT PAYMENT AGREEMENT IF THE TAX COLLECTOR BELIEVES THAT THE COLLECTION OF TAX TO WHICH THE PAYMENT AGREEMENT PERTAINS IS IN JEOPARDY.

(e) IF THE TAX COLLECTOR DETERMINES THAT THE FINANCIAL CONDITION OF A TAXPAYER HAS IMPROVED, THE TAX COLLECTOR MAY ALTER, MODIFY OR TERMINATE THE AGREEMENT BY PROVIDING NOTICE TO THE TAXPAYER AT LEAST THIRTY DAYS BEFORE THE EFFECTIVE DATE OF THE ACTION. THE NOTICE SHALL INCLUDE THE REASONS WHY THE TAX COLLECTOR BELIEVES THE ALTERATION, MODIFICATION OR TERMINATION IS APPROPRIATE.

(f) AN INSTALLMENT PAYMENT AGREEMENT SHALL REMAIN IN EFFECT FOR THE TERM OF THE AGREEMENT EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION.

(g) A TAXPAYER WHO IS AGGRIEVED BY A DECISION OF THE TAX COLLECTOR TO REFUSE TO ENTER INTO AN INSTALLMENT PAYMENT AGREEMENT OR TO ALTER, MODIFY OR TERMINATE AN AGREEMENT ENTERED INTO PURSUANT TO THIS SECTION MAY PETITION THE TAXPAYER PROBLEM RESOLUTION OFFICER TO REVIEW THAT DETERMINATION. THE TAXPAYER PROBLEM RESOLUTION OFFICER MAY STAY SUCH ALTERATION, MODIFICATION OR TERMINATION PENDING ITS REVIEW AND MAY MODIFY OR NULLIFY THE DETERMINATION.

(h) THE CITY AND THE TAXPAYER MAY MODIFY ANY INSTALLMENT PAYMENT AGREEMENT AT ANY TIME BY ENTERING INTO A NEW OR MODIFIED AGREEMENT.

Sec. 8A-597. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Sec. 8A-597. PRIVATE TAXPAYER RULINGS; REQUEST; REVOCATION OR MODIFICATION; DEFINITION. (LOCAL AUDITS)

(a) THE TAX COLLECTOR SHALL ISSUE PRIVATE TAXPAYER RULINGS TO TAXPAYERS AND POTENTIAL TAXPAYERS ON REQUEST. EACH REQUEST SHALL BE IN WRITING AND SHALL:

(1) STATE THE NAME, ADDRESS AND, IF APPLICABLE, TAXPAYER IDENTIFYING NUMBER OF THE TAXPAYER OR POTENTIAL TAXPAYER WHO REQUESTS THE RULING.

(2) DESCRIBE ALL FACTS THAT ARE RELEVANT TO THE REQUESTED RULING.

(3) STATE WHETHER, TO THE BEST KNOWLEDGE OF THE TAXPAYER OR POTENTIAL TAXPAYER, THE ISSUE OR RELATED ISSUES ARE BEING CONSIDERED BY THE TAX COLLECTOR OR ANY OTHER TAXING JURISDICTION IN CONNECTION WITH AN ACTIVE AUDIT, PROTEST OR APPEAL THAT INVOLVES THE TAXPAYER OR POTENTIAL TAXPAYER AND WHETHER THE SAME REQUEST HAS BEEN OR IS BEING SUBMITTED TO ANOTHER TAXING JURISDICTION FOR A RULING.

(4) BE SIGNED BY THE TAXPAYER OR POTENTIAL TAXPAYER WHO MAKES THE REQUEST OR BY AN AUTHORIZED REPRESENTATIVE OF THE TAXPAYER OR POTENTIAL TAXPAYER.

(b) A PRIVATE TAXPAYER RULING MAY BE REVOKED OR MODIFIED BY EITHER:

(1) A CHANGE OR CLARIFICATION IN THE LAW THAT WAS APPLICABLE AT THE TIME THE RULING WAS ISSUED, INCLUDING CHANGES OR CLARIFICATIONS CAUSED BY REGULATIONS AND COURT DECISIONS.

(2) ACTUAL WRITTEN NOTICE BY THE TAX COLLECTOR TO THE LAST KNOWN ADDRESS OF THE TAXPAYER OR POTENTIAL TAXPAYER OF THE REVOCATION OR MODIFICATION OF THE PRIVATE TAXPAYER RULING.

(c) WITH RESPECT TO THE TAXPAYER OR PROSPECTIVE TAXPAYER TO WHOM A PRIVATE TAXPAYER RULING IS ISSUED, THE REVOCATION OR MODIFICATION OF A PRIVATE TAXPAYER RULING SHALL NOT BE APPLIED RETROACTIVELY TO TAX PERIODS OR TAX YEARS BEFORE THE EFFECTIVE DATE OF THE REVOCATION OR MODIFICATION AND THE TAX COLLECTOR SHALL NOT ASSESS ANY PENALTY OR TAX ATTRIBUTABLE TO ERRONEOUS ADVICE THAT IS FURNISHED TO THE TAXPAYER OR POTENTIAL TAXPAYER IN THE PRIVATE TAXPAYER RULING IF:

(1) THE TAXPAYER REASONABLY RELIED ON THE PRIVATE TAXPAYER RULING.

(2) THE PENALTY OR TAX DID NOT RESULT EITHER FROM A FAILURE BY THE TAXPAYER TO PROVIDE ADEQUATE OR ACCURATE INFORMATION OR FROM A CHANGE IN THE INFORMATION.

(d) A PRIVATE TAXPAYER RULING MAY NOT BE RELIED UPON, CITED NOR INTRODUCED INTO EVIDENCE IN ANY PROCEEDING BY ANY TAXPAYER OTHER THAN THE TAXPAYER WHO RECEIVED THE RULING.

(e) A TAXPAYER MAY APPEAL THE PROPRIETY OF A RETROACTIVE APPLICATION OF A REVOKED OR MODIFIED PRIVATE TAXPAYER RULING BY FILING A WRITTEN

PETITION WITH THE TAX COLLECTOR PURSUANT TO SECTION 8A-570 WITHIN FORTY-FIVE (45) DAYS AFTER RECEIVING WRITTEN NOTICE OF THE INTENT TO RETROACTIVELY APPLY A REVOKED OR MODIFIED PRIVATE TAXPAYER RULING.

(f) A PRIVATE TAXPAYER RULING CONSTITUTES THE TAX COLLECTOR'S INTERPRETATION OF THE SECTIONS OF THIS CHAPTER ONLY AS THEY APPLY TO THE TAXPAYER MAKING, AND THE PARTICULAR FACTS CONTAINED IN, THE REQUEST.

(g) A PRIVATE TAXPAYER RULING WHICH ADDRESSES A TAXPAYER'S ONGOING BUSINESS ACTIVITIES WILL APPLY ONLY TO TRANSACTIONS THAT OCCUR OR TAX LIABILITIES THAT ACCRUE FROM AND AFTER THE DATE OF THE TAXPAYER'S RULING REQUEST.

(h) THE TAX COLLECTOR SHALL ATTEMPT TO ISSUE PRIVATE TAXPAYER RULINGS WITHIN FORTY-FIVE (45) DAYS AFTER RECEIVING THE WRITTEN REQUEST AND ON RECEIVING THE FACTS THAT ARE RELEVANT TO THE RULING. IF THE RULING IS EXPECTED TO BE DELAYED BEYOND THE FORTY-FIVE (45) DAYS, THE TAX COLLECTOR SHALL NOTIFY THE REQUESTOR OF THE DELAY AND THE PROPOSED DATE OF ISSUANCE.

(i) WITHIN THIRTY (30) DAYS AFTER BEING ISSUED, THE TAX COLLECTOR SHALL MAINTAIN THE PRIVATE TAXPAYER RULING AS A PUBLIC RECORD AND MAKE IT AVAILABLE AT A REASONABLE COST FOR PUBLIC INSPECTION AND COPYING. THE TEXT OF PRIVATE TAXPAYER RULINGS ARE OPEN TO PUBLIC INSPECTION SUBJECT TO THE CONFIDENTIALITY REQUIREMENTS PRESCRIBED BY SECTION 8A-510.

(j) IN THIS SECTION, "PRIVATE TAXPAYER RULING" MEANS A WRITTEN DETERMINATION BY THE TAX COLLECTOR ISSUED PURSUANT TO THIS SECTION THAT INTERPRETS AND APPLIES ONE OR MORE SECTIONS CONTAINED IN THIS CHAPTER AND ANY APPLICABLE REGULATIONS.

(k) A PRIVATE TAXPAYER RULING ISSUED BY THE ARIZONA DEPARTMENT OF REVENUE PURSUANT TO A.R.S. SECTION 42-2101 MAY BE RELIED UPON BY THE TAXPAYER TO WHOM THE RULING WAS ISSUED AND MUST BE RECOGNIZED AND FOLLOWED BY ANY CITY IN WHICH SUCH TAXPAYER HAS OBTAINED A PRIVILEGE LICENSE IF THE CITY HAS NOT ISSUED A RULING ADDRESSING THE FACTS DESCRIBED IN THE TAXPAYER'S RULING REQUEST AND THE STATUTE AT ISSUE IN THE TAXPAYER'S RULING REQUEST IS, IN ESSENCE, WORDED AND WRITTEN THE SAME AS THE APPLICABLE SECTION HEREUNDER.

Section 2. Reg. 8A-555.1 of the Tax Code of the City of Tolleson is amended to read:

Reg. 8A-555.1. (Reserved) (STATE ADMINISTRATION AND AUDITS)

Reg. 8A-555.1. ADMINISTRATIVE REQUEST FOR THE ATTENDANCE OF WITNESSES OR THE PRODUCTION OF DOCUMENTS; SERVICE THEREOF; REMEDIES AND PENALTIES FOR FAILURE TO RESPOND. (LOCAL AUDITS)

(a) IF A TAXPAYER REFUSES OR FAILS TO COMPLY IN WHOLE OR IN PART WITH A REQUEST TO PROVIDE RECORDS AUTHORIZED BY SECTION 8A-555, THE TAX COLLECTOR MAY ISSUE HIS WRITTEN ADMINISTRATIVE REQUEST WHICH SHALL:

(1) DESIGNATE THE INDIVIDUAL TO PROVIDE INFORMATION.

(2) DESCRIBE SPECIFICALLY OR GENERALLY THE INFORMATION TO BE PROVIDED, AND ANY DOCUMENTS SOUGHT TO BE EXAMINED.

(3) STATE THE DATE, TIME, AND PLACE IN WHICH THE INDIVIDUAL SHALL APPEAR BEFORE THE TAX COLLECTOR TO PROVIDE THE INFORMATION AND TO PRODUCE THE DOCUMENTS SOUGHT.

(4) BE DIRECTED TO:

(A) ANY DIRECTOR, OFFICER, EMPLOYEE, AGENT, OR REPRESENTATIVE OF THE PERSON SOUGHT TO BE EXAMINED; OR

(B) ANY INDEPENDENT ACCOUNTANT, ACCOUNTING FIRM, BOOKKEEPING OR FINANCIAL SERVICE RETAINED OR EMPLOYED BY SUCH PERSON FOR ANY PURPOSE CONNECTED WITH BUSINESS ACTIVITY SUBJECT TO TAXATION; OR

(C) ANY OTHER PERSON WHO, IN THE OPINION OF THE TAX COLLECTOR, HAS KNOWLEDGE OF FACTS BEARING UPON ANY TAX LIABILITY OF THE PERSON OR TAXPAYER FROM WHOM INFORMATION IS SOUGHT.

(b) THE FAILURE OF A TAXPAYER TO COMPLY WITH REASONABLE REQUESTS FOR RECORDS WITHOUT GOOD REASON OR CAUSE MAY, IN THE EXERCISE OF JUDICIAL DISCRETION BY A COURT, BE HELD TO CONSTITUTE A FAILURE TO EXHAUST ADMINISTRATIVE REMEDIES.