

## SUMMARY OF FIVE YEAR REVIEW

Pursuant to A.R.S. § 41-1056, the Arizona State Board of Tax Appeals ("Board") submits this five-year rule review. The review covers the rules in Title 16, Chapter Three of the Arizona Administrative Code, which pertains to the general administration of income, transaction privilege, use, luxury, and all other types of taxation, other than property tax.

After a comprehensive review and revision process that resulted in the repeal of most of the Board's previous rules, the current rules became effective February 7, 2002. The Board has carefully reviewed each of its rules and finds that: they all are currently being enforced; they are necessary, effective, consistent, concise and understandable; and, they require no revisions or amendments at this time.

- **Economic impact.**

The economic impact to small businesses and consumers under the Board's current rules should generally be the same as when the rules were promulgated.

# TITLE 16

## CHAPTER THREE

### ARTICLE 1. TAX APPEAL PROCEDURES

After thoroughly reviewing its rules, the Board finds that the analysis for the following categories apply to all of the Board's rules.

#### AUTHORIZATION

A.R.S. § 41-1003 provides that each agency shall make rules of practice setting forth the nature and requirements of all formal procedures available to the public. The Board derives its general rule-making authority from A.R.S. §§ 42-1252 and 1253 and hears appeals from orders or decisions of the municipal tax code commission under A.R.S. § 42-6003(G). See attachment "A."

#### CONSISTENCY AND ENFORCEMENT OF THE RULE

This rule is necessary to accomplish the objective of the Board. It is not inconsistent with any state or federal statutes or other rules of the agency and is currently being enforced without problem.

#### CLARITY, CONCISENESS AND UNDERSTANDABILITY

This rule is sufficiently clear, concise and understandable.

#### WRITTEN CRITICISM

The agency has not received written criticism of the statute within the last five years

#### ECONOMIC IMPACT

Unchanged.

#### COMPETITIVE IMPACT ANALYSIS

No analysis comparing this rule's impact on the state's business competitiveness to the impact on businesses in other states has been submitted to the Board.

#### BURDEN AND COST

The Board has determined that the rule imposes negligible burden and cost to those participating in the appeals process and its probable benefits outweigh its probable cost.

#### STRINGENCY

The rule is not more stringent than corresponding federal or state law.

#### PROPOSED COURSE OF ACTION

No action is proposed for this rule.

OBJECTIVE / EFFECTIVENESS

**R16-3-101. Definitions**

The objective of this rule is to establish the definitions for specific terms used throughout the Board's rules. The rule effectively satisfies this objective.

**R16-3-102. Notice of Appeal**

The objective of this rule is to specify the information and documentation that must be filed with a notice of appeal and when a notice of appeal must be filed. The rule effectively satisfies this objective.

**R16-3-103. Incomplete Notice of Appeal**

The objective of this rule is to explain the circumstances under which an incomplete notice of appeal may be supplemented with additional required material and the consequences of failing to comply with the provisions of the rule. The rule effectively satisfies this objective.

**R16-3-104. Memoranda, Waivers, and Supporting Authorities**

The objective of this rule is to apprise parties of the requirements, including deadline schedules, for filing supporting memoranda, waivers and supporting authorities. The rule effectively satisfies this objective.

**R16-3-105. Stipulation or Statements of Fact**

The objective of this rule is to inform the parties that the Board may request parties to file a joint stipulation or separate statements of fact. The rule effectively satisfies this objective.

**R16-3-106. Dismissal, Withdrawal, or Suspension of Appeal**

The objective of this rule is to explain the conditions under which an appeal may be dismissed, withdrawn or suspended. The rule effectively satisfies this objective.

**R16-3-107. Request for Hearing**

The objective of this rule is to explain under what conditions an oral hearing will be set and when, the notice the parties will receive, and the conditions under which a hearing may be waived, postponed, continued or cancelled. The rule effectively satisfies this objective.

**R16-3-108. Hearing Procedure**

The objective of this rule is to inform the parties of the specific procedures to be followed in a hearing before the Board. The rule effectively satisfies this objective.

**R16-3-109. Evidence Produced at the Hearing**

The objective of this rule is to explain the procedures for introducing oral and documentary evidence. The rule effectively satisfies this objective.

**R16-3-110. Official Notice**

The objective of this rule is to identify the kind of information and documentation of which the Board will take official notice. The rule effectively satisfies this objective.

**R16-3-111. Subpoena**

The objective of this rule is to explain the items for which a subpoena may be issued and who will bear the cost. The rule effectively satisfies this objective.

**R16-3-113. Transcripts and Records**

The objective of this rule is to explain under what conditions a hearing will be transcribed and who will bear the cost and how file information may be obtained. The rule effectively satisfies this objective.

**R16-3-114. Decision or Order**

The objective of this rule is to generally describe the Board's decisions and orders and the procedures regarding them. The rule effectively satisfies this objective.

**R16-3-115. Rehearing or Review of Decision or Order**

The objective of this rule is to advise parties of the procedure for requesting a rehearing or review of a decision. The rule effectively satisfies this objective.