

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 428** HLS 19RS 852

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 3, 2019	11:12 AM	<b>Author:</b> DWIGHT
<b>Dept./Agy.:</b> Tax Appeals		<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Tax Appeals: Authority to Expand Jurisdiction		

TAX APPEALS/BOARD RE INCREASE GF EX See Note Page 1 of 1  
(Constitutional Amendment) Extends the jurisdiction of the Board of Tax Appeals to matters concerning the constitutionality of taxes and fees

Present constitution authorizes the legislature to provide a remedy for prompt recovery of an illegal tax paid by a taxpayer.

Proposed amendment authorizes the legislature to provide a remedy for an unconstitutional tax paid by a taxpayer, and provides that jurisdiction of the Board of Tax Appeals (BTA) may be extended to matters concerning the constitutionality of taxes or fees by a law enacted by a two-thirds vote of each house of the legislature.

Proposed amendment additionally provides that BTA shall have jurisdiction over all matters related to state and local taxes or fees or other claims against the state.

Proposed law provides the proposed amendment will be submitted to voters at a statewide election on October 12, 2019.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Agy. Self-Gen.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**

BTA reports no administrative costs associated with the amendment. However, the amendment expands BTA jurisdiction, extending it to all matters related to state and local taxes or fees or other claims against the state.

Increased responsibility due to expanded jurisdiction will require additional resources in support of BTA proceedings. While specific resource needs are speculative at this time, general fund expenditures and fee revenue expenditures are anticipated to increase consistent with the expanded jurisdiction of the Board contemplated by the bill.

Since the bill provides that the changes to the BTA jurisdiction contemplated by the bill are to be provided by law, the earliest additional BTA activity attributable to the bill can occur is likely to be FY21.

**REVENUE EXPLANATION**

To the extent that additional claims are filed due to expanded jurisdiction, fees and self-generated revenues will increase. Since the bill provides that the changes to the BTA jurisdiction contemplated by the bill are to be provided by law, the earliest additional BTA activity attributable to the bill can occur is likely to be FY21.

Proposed amendment authorizes the legislature to expand the available opportunities for remedies for unconstitutional taxes paid. The effect of expanded BTA jurisdiction on net revenue collections is speculative. Presumably, additional avenues for taxpayer remedies in tax disputes ultimately works to reduce net collections, but that also depends on determinations by the BTA.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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