

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



Fiscal Note On: **SB 160** SLS 21RS 374

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> June 9, 2021	2:05 PM	<b>Author:</b> ALLAIN
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> State Partnership Federal Audit Adjustments		

REVENUE DEPARTMENT EN NO IMPACT GF RV See Note Page 1 of 1

Conforms state partnership reporting adjustments to federal taxable income to current federal partnership audit adjustments. (gov sig)

Current law requires each partner in a partnership to file an amended state tax return when a federal audit of the partnership results in a change in the federal tax due, since state tax liabilities are influenced by federal liabilities. A required state amended return occurs for each partner regardless of whether the partnership elects to handle the federal liability change at the partnership level or the partner level.

Proposed law will allow the partnership to elect to handle a resulting state liability change at the partnership level rather than require each partner to file an amended state return. The ability to continue current practice of filing amended returns by each partner is retained, as well.

Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Allowing the practice of filing amended returns at the partnership level, due to federal adjustments to the partnership federal filing, rather than requiring amended returns from each individual partner, should work to reduce the administrative workload of the Department of Revenue associated with partnership returns. Consequently, resources can be allocated to other tax return issues.

**REVENUE EXPLANATION**

The bill does not appear to change tax liabilities, but only the level of organization at which amended state tax returns, attributable to federal adjustments to partnership filings, are allowed to be filed. Current practice of filing amended returns by each partner is retained, but the practice of filing amended returns at the partnership level will be allowed by the bill. There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Christopher A. Keaton**  
**Legislative Fiscal Officer**