



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 196** SLS 26RS 458
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 5, 2026	8:22 AM	Author: FOIL
Dept./Agy.: Department of Revenue and Board of Tax Appeals		Analyst: Garrett Ordner
Subject: Notice of Assessment and Refund Claim Appeals		

TAX/TAXATION EN SEE FISC NOTE GF RV See Note Page 1 of 1
 Provides relative to the time period to appeal a notice of assessment or the disallowance of a refund claim. (8/1/26)

Present law provides that upon receipt of a notice of assessment and right to appeal for local sales and use taxes, the recipient must (1) pay the assessment within 60 days; (2) appeal to the Board of Tax Appeals (BTA) within 60 days; (3) pay under protest within 60 days and then either file suit or file a petition with the BTA; or (4) agree in writing with the collector to a mediation within 15 days. Present law provides that that a taxpayer has 60 days from the date of payment or posting bond to appeal to the BTA for a redetermination of the assessment when the tax is in jeopardy and property has been distrained. Present law provides a taxpayer 60 days for the date of notice of assessment from the Department of Revenue (LDR) to pay the assessment or appeal to the BTA for a reassessment, and present law provides a taxpayer 60 days after LDR disallows a refund claim to appeal the disallowance with the BTA. Present law provides that if a debt owed to LDR is not paid within 60 days, a collection fee will be charged to the account.

Proposed law increases all of the above 60-day time limits to 90 days. Proposed law repeals requirements that addresses of taxpayers obtained from private entities for notice requirements must be obtained free of charge. Proposed law applies to notices mailed out on or after January 1, 2028.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$52,750	\$0	\$0	\$0	\$0	\$52,750
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

LDR reports that it will incur expenses totaling \$52,750 prior to implementation for programming, testing, and system development costs for the new payment deadlines in its system pursuant to proposed law. However, LDR expects to absorb these costs with its existing budget authority. The BTA reports that any changes to its costs will be minimal. For purposes of this fiscal note, costs are shown as being incurred in FY 27; however, they may instead be incurred in FY 28 or across both fiscal years. Any corresponding costs to local tax collectors may also first be incurred in FY 27 or FY 28; however, any such costs are indeterminable.

The BTA reports that it currently accepts all petitions filed by taxpayers. If a petition is filed late, the tax collector will file an exception pointing out the deficiency, and the BTA will conduct a hearing on the exception where the taxpayer and the tax collector can present evidence on whether the notice was appropriately issued or whether the prescription was suspended or interrupted. The BTA then rules on whether the case is dismissed or proceeds depending on whether it finds that the notice was appropriate and the appeal was untimely filed.

Proposed law may allow petitions that would otherwise have been untimely to instead proceed, which may reduce the number of exception hearings, but which may also increase the number of trials conducted on the merits of the case. BTA therefore expects that any costs incurred pursuant to proposed law will be minimal.

Proposed law repeals requirements that addresses of taxpayers obtained from private entities for notice requirements must be obtained free of charge. This will allow LDR to obtain taxpayer addresses through its current subscription to FAST Enterprises, which includes private address information that the department currently utilizes for other purposes (primarily within the Criminal Investigations Division).

REVENUE EXPLANATION

LDR reports that the extended payment period will delay enforcement actions against delinquent taxpayers and therefore delay the collection of taxes, penalties, and interest, as well as LDR's collection fees. The extended payment period may have a similar effect on local tax revenues. The extent of any impacts on state and local revenues is indeterminable. The extended appeal period offered by proposed law may also allow more appeals to proceed to trial on the merits of the appeal, which may ultimately have an impact on the assessment amount if the BTA finds in favor of the taxpayer.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


Alan M. Boxberger
Legislative Fiscal Officer