

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



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

Bill Text Version: **RE-REENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 21, 2019	6:14 PM	<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 RR1 SEE FISC NOTE GF EX 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) shall have jurisdiction over all matters related to state and local taxes or fees or other claims against the state as provided by law. Proposed amendment provides that BTA jurisdiction may be extended to matters concerning the constitutionality of taxes or fees by enacting a law passed by a two-thirds vote of each house of the legislature.

Proposed law provides that the proposed amendment will be submitted to voters at a statewide election on October 12, 2019. Accompanying statutory legislation is contained in HB 583.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<b>\$0</b>
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<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>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
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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>

**EXPENDITURE EXPLANATION**

BTA reports minor administrative costs associated with expanded jurisdiction contemplated by proposed amendment and accompanying legislation, including additional Board additional transcriptionist and records services. BTA reports that these will primarily be funded via increased filing fee and appeal record fee collections due to an anticipated increase in filings. While additional 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.

**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.

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}

*Gregory V. Albrecht*  
**Gregory V. Albrecht**  
**Chief Economist**