



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 776** HLS 16RS 1149

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|--------------------------------|
| Date: March 30, 2016 | 9:08 AM | Author: ABRAMSON |
| Dept./Agy.: Revenue | | |
| Subject: Payments under protest to be paid directly to LDR | | Analyst: Deborah Vivien |

REVENUE DEPARTMENT

EG NO IMPACT GF RV See Note

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Provides for remittance of sales and use tax under under protest

Current law provides that, for sales tax collected by a dealer, payments under protest first be paid to the dealer. Purchaser then informs the Department of Revenue of the protest on or before the remittance (20th day of the following month) and intention to either file suit or petition the Board of Tax Appeals. The protested amount is then held in escrow for 30 days or until the final outcome of the suit or petition, if filed within the 30 days.

Proposed law retains current law but requires the purchaser to remit protested taxes directly to the Department of Revenue, allowing for more efficient tracking of protested funds by taxpayer.

| EXPENDITURES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|----------------|---------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$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 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|----------------|---------|---------|---------|---------|---------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$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 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. However, the Department of Revenue expects that the bill will allow for more efficient tracking of protested funds by taxpayer directly instead of indirectly through vendors as with the present process.

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}

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