

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 119** SLS 18RS 276
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 21, 2018 12:37 PM	Author: MORRELL
Dept./Agy.: REVENUE	
Subject: Furnishing of Taxpayer Information Between Agencies	Analyst: Benjamin Vincent

TAX/TAXATION EG SEE FISC NOTE GF EX See Note Page 1 of 1
 Provides relative to confidentiality of certain taxpayer information concerning Medicaid eligibility. (gov sig)

Current law authorizes the Secretary of the LA Department of Revenue (LDR) to provide taxpayer information to the LA Department of Health's (LDH) tax filing unit for the purposes of complying with federal law.

Proposed law authorizes the LDR Secretary to also provide taxpayer information to the LDH Medicaid fraud unit for the purposes of Medicaid eligibility verification of individuals. Additionally, proposed law authorizes LDR to share taxpayer information to the Division of Administration (DOA) for the purposes of the state's fiscal transparency website. Proposed law provides that the name of any taxpayer who files corporation income and franchise tax returns and claims \$250,000 or more of total credits during the previous tax year will appear on the site, with a range of not more than \$500,000 around the specific amount claimed also displayed. Governor's signature.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law authorizes the sharing of confidential taxpayer data between LDR and the LDH Medicaid fraud unit, at the discretion of the LDR Secretary, for the purposes of verifying individual eligibility for Medicaid.

Additionally, proposed law authorizes LDR to share with DOA the total amount of tax credits claimed by taxpayers filing corporate income and franchise returns in the previous year, for the purposes of the state's fiscal transparency website.

Proposed law does not mandate the sharing of confidential taxpayer data between agencies, the construction of a secure or automated data transfer for these purposes, or any new or increased eligibility verification activity within LDH, LDR, or DOA.

LFO assumes that any increase in expenditures due to data sharing requirements or eligibility verification efforts would be incurred as a result of separate legislation or an agency administrative rule, the costs of which would be attributable to that legislation or agency administrative rule.

HB 2 of the 2018 First Extraordinary Session provided for confidential taxpayer data-sharing, as well as increased LDR and LDH responsibility for eligibility verification and fraud detection efforts. Discussion of potential costs associated with such efforts are contained in the fiscal note on HB 2.

HB 50 and SB 363 of this session provide for a fiscal transparency website. The general potential costs associated with such efforts are contained in the fiscal note on SB 363, although those cost assessments and ultimate realizations may change as a result of additional requirements as contained in this bill (SB 119).

REVENUE EXPLANATION

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

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
Chief Economist