

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



Fiscal Note On: **HB 530** HLS 19RS 804  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 3, 2019	12:31 PM	<b>Author:</b> HODGES
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Earned Income Tax Credit: Verification of Residency		

TAX CREDITS OR NO IMPACT GF RV See Note Page 1 of 1  
 Requires certain taxpayers claiming the earned income tax credit to provide the Dept. of Revenue with certain information regarding residency of dependents

Proposed law requires claimants of the Earned Income Tax Credit to sign a statement on the tax return on which the claim is filed affirming that the qualifying child or dependent is physically present in the United States at the time the return is filed, was present for at least 180 days in the tax year for which the credit is claimed, or present for at least 50% of the calendar days of the tax year since the birth of the child or other dependent.

Proposed law requires the Secretary of the Department of Revenue (LDR) to promulgate rules and regulations to implement these provisions.

Proposed law provides that for any case where LDR finds that an individual has claimed the credit in violation of proposed law, the taxpayer's state income tax shall be increased by the amount necessary to recapture the tax credit.

Effective January 1, 2020.

<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	\$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	\$0	\$0	\$0	\$0	\$0	<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>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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<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

LDR reports that the required taxpayer statement contemplated in proposed law would simply be added to the existing worksheet currently used by taxpayers to calculate the credit. There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

LDR reports that current rules for claiming a qualified child include a rule that the current child must have a social security number, and must have lived with the taxpayer claiming the credit for more than half of the year.

LDR also reports that the Secretary is already authorized by present law to recover any refunded or credited amount that is determined not to be an overpayment.

To the extent that it is voluntarily reported by filers, the requirement in proposed law that the child or dependent be present in the U.S. when the return is filed may result in disqualification for some taxpayers that claim the credit. The anticipated impact of this provision is speculative, but is not anticipated to be material.

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}

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