

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 191** SLS 24RS 404

Bill Text Version: **REENGROSSED**

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

Proposed Amd.:

Sub. Bill For.:

Date: May 8, 2024	3:14 PM	Author: REESE
Dept./Agy.: Board of Tax Appeals & Dept. of Revenue		Analyst: Noah O'Dell
Subject: Enforcement and Adjudication of State and Local Taxes		

TAX/TAXATION

RE1 NO IMPACT See Note

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Provides relative to the enforcement and adjudication of state and local taxes and the Board of Tax Appeals. (gov sig)

Current law requires the Dept. of Revenue (LDR) to transfer a specific amount of funds to the Board of Tax Appeals from local use tax collections to fund the Local Tax Division. Current law provides for certain guidelines for the Board of Tax Appeals to fulfill its obligations. Current law allows that the Secretary of LDR ultimately has sole discretion in final determination of error of fact or law for assessments.

Proposed law retains current law with regard to transfer of local taxes to the Board, but stipulates the amount transferred is to be increased to match appropriations when necessary. Proposed law retains current law and adjusts provisions for filling vacancies with ad hoc judges. Proposed law allows the Board to authorize a hearing through virtual means without requiring the consent of all parties or taxpayer request. Proposed law authorizes a taxpayer appeal of an LDR determination of error of fact or law to the Board upon initiation of collection activities. Proposed law makes changes to the effect of a final judgment.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	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	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Board of Tax Appeals (BTA) is currently capable of complying with the specifications laid out in the bill using existing resources.

BTA reports the language related to the effect of a final judgment fills a void in certain situations when no statutory procedural provisions exist for cases but does not change provisions related to procedures already in statute for state or local taxes or fees.

REVENUE EXPLANATION

To the extent the appropriation to the Board of Tax Appeals increases beyond the statutory requirement (an increase of \$5,000 each fiscal year), local revenues will decrease as LDR transfers local use taxes to the Board. The bill stipulates the amount transferred is to be increased when necessary to match appropriations by law.

The bill permits an individual to petition the Board of Tax Appeals within 30 days of the receipt of a notice related to a seizure, levy, garnishment, offset, or other collection action. Currently, there is no appeal available. If the Board finds clear and convincing evidence that the otherwise final assessment qualifies for relief an error of fact or error of law, the matter shall be referred by the Board to the Secretary of LDR for review, which halts collections until a redetermination is final.

LFO believes the extent to which the appeal jurisdiction provisions impact the timing or magnitude of determination of monies due to taxpayers cannot be stated without knowledge of future case outcomes. Should additional relief be granted by the Secretary, revenue may be lower than currently anticipated. Should no additional relief be granted by the Secretary, revenue would remain essentially unchanged, barring some potential timing issues.

Senate
 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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