

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



Fiscal Note On: **HB 368** HLS 14RS 1119

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 18, 2014 11:12 AM	<b>Author:</b> ROBIDEAUX
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Removes certified mail requirement for certain notifications	

REVENUE DEPARTMENT OR -\$200,000 SG EX See Note Page 1 of 1  
Changes the method of delivery for certain notices and other correspondence issued by the Department of Revenue

Current law requires the Secretary of Revenue to notify the impacted party by certified mail if imposing a tax refund offset, a fine or license revocation for a fuel tax violation, a penalty for failure to timely file any tax return, or if a taxpayer requests a direct pay number for local sales tax.

Proposed law removes the certified mail requirement but retains the notification requirements by regular mail if imposing a tax refund offset, a fine or license revocation for a fuel tax violation, a penalty for failure to timely file any tax return, or if a taxpayer requests a direct pay number for local sales tax. Proposed law also allows the Secretary to use regular mail or other methods of delivery for all notifications for which a certain method of delivery is not specified in law.

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	<b>(\$1,000,000)</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>(\$200,000)</b>	<b>(\$200,000)</b>	<b>(\$200,000)</b>	<b>(\$200,000)</b>	<b>(\$200,000)</b>	<b>(\$1,000,000)</b>

<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</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	<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>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The Department of Revenue (LDR) estimates that this bill would impact about 68,000 certified letters using FY 13 mailings as a predictor of future activity. Mailing costs are about \$3 per mailing less expensive by regular mail as compared to certified mail. Thus, LDR is expected to spend about \$200,000 less if the certified mail requirement is removed. However, with additional centralized state debt recovery responsibilities recently added to the Department, expenditure reductions could be larger than they would otherwise be in the ensuing fiscal years.

Any reduction in expenditures will allow the agency to divert resources to other means of fulfilling its mission. Currently, the tax collection program is fully funded with self-generated revenue.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. The bill does not change any calculations related to taxes or fees.

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|---|----------------------------|--------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            |              | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}                  |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            |              | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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