

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 237** SLS 18RS 574

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 18, 2018	5:13 PM	Author: MORRELL
Dept./Agy.: REVENUE		Analyst: Benjamin Vincent
Subject: Paid LDR Filing Preparer Identification Number		

REVENUE DEPARTMENT EN INCREASE SG EX See Note Page 1 of 1
Requires paid preparers of filings to LDR to sign and provide their identification number on tax returns filed with the Department of Revenue. (gov sig)

Proposed law requires paid preparers or owners of any business that prepares as a primary service any return, report, claim for refund or other claim filed with the LA Department of Revenue (LDR) to sign and provide certain identifying information on tax returns and refund claims. Proposed law excludes from the definition of "paid preparer" any preparers that are regular employees of the employer for whom they prepared the return, and attorneys or other advisors whose association with a claim is limited to rendering advice. Proposed law imposes a \$50 penalty for each failure to sign a return or claim or failure to provide sufficient identification, with the total penalty on the preparer not to exceed \$25,000 per calendar year. Proposed law applies these requirements for income taxes to taxable periods ending on June 30, 2018 and filed before January 1, 2019. For corporate franchise taxes, requirements apply for taxable periods ending June 30, 2018 and filed before June 30, 2019. For taxes other than income or corporate franchise taxes, the requirements apply for taxable periods beginning on or after July 1, 2018. The requirements apply for all other filings filed on or after January 1, 2019. Effective July 1, 2018.

EXPENDITURES	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.	INCREASE	\$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>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

LDR reports that to build enforcement of the bill's provisions into the tax return processing systems would incur one-time programming, testing, and system development costs. Depending on the extent of system design, development, and testing, required costs of staff time and effort could run to several tens of thousand of dollars.

REVENUE EXPLANATION

Proposed law requires certain paid preparers of returns, claims, or reports filed with LDR to sign and provide an identification number sufficient for LDR to identify the preparer on the item filed, and imposes a \$50 penalty for each failure to sign or provide the information.

To the extent that there is noncompliant behavior by the paid preparers of these items, enforcement of proposed law would increase LDR self-generated revenues due to the \$50 penalty. The department can not estimate the magnitude of this impact.

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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