

LEGISLATIVE FISCAL OFFICE
Fiscal Note

ACT 86

Fiscal Note On: **HB 341** HLS 18RS 876

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:



Date: May 18, 2018	7:11 PM	Author: ABRAMSON
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Changes Payable Date of Corporate Franchise Tax		

TAX/CORP FRANCHISE EN NO IMPACT GF RV See Note Page 1 of 1
Changes the due date for filing corporate franchise tax returns

Present law establishes the payable date for existing corporate franchise taxpayers as the 15th day of the fourth month after the month in which the tax is due, but retains the payable date for the initial tax payment for newly taxable corporations as the 15th day of the third month after the month in which the tax is due.

Proposed law changes the payable date for the initial tax for newly taxable corporations to the 15th day of the fourth month after the month in which the tax is due, consistent with the payable date for existing taxpayers. Under proposed law the tax would still be typically due in January, but paid in May.

Applicable to all corporate franchise tax years beginning on and after January 1, 2019.
Effective upon governor's signature.

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.	\$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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The bill would shift back by one month the payment month for the initial corporate franchise tax for newly taxable corporations, from April to May. This makes this payable date consistent with the date for existing corporate taxpayers, as per Act 661 of 2016, and Revenue Information Bulletin No. 17-006. This should have no effect on fiscal year collections. The tax is due at beginning of the tax year, thus, for calendar year filers the bill will affect the timing of receipts starting with FY19, but should not change the amount of receipts during FY19 or any subsequent fiscal year.

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}

John D. Carpenter
Legislative Fiscal Officer