



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 500** HLS 25RS 377
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 5, 2025	6:17 PM	Author: BEAULLIEU
Dept./Agy.: Board of Tax Appeals / ULSTB / LATA		
Subject: Changes in Tax Disputes and the Board of Tax Appeals		Analyst: Noah O'Dell

TAX/SALES & USE OR INCREASE GF EX See Note Page 1 of 1

Authorizes the mediation of certain tax disputes, the issuance of policy advice, and requests for private letter rulings under certain circumstances
Current law provides relative to notices, mediation, and issuance of policy advice in relation to the administration and adjudication of tax disputes at the Board of Tax Appeals; provides relative to mediation agreements and the issuance of policy advice; provides relative to private letter rulings and certain reviews by the Board of Tax Appeals; provides for the appointment and terms of three members of the Board of Tax Appeals (of which one is a local tax judge).

Proposed law revises procedures related to notices, mediation and agreements, policy advice, and private letter rulings. Proposed law increases the membership of the Board of Tax Appeals (from three to four members) to provide for two local tax judges (one of which is the chief judge) and provides for specific dates related to the appointment and terms for these judges. The state Board of Tax Appeals shall still consist of three members per case, one of which is a randomly assigned local judge. Local cases shall be randomly assigned to one of the local judges in the local division. Effective August 1, 2025

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$376,467	\$368,567	\$368,567	\$368,567	\$368,567	\$1,850,735
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	\$376,467	\$368,567	\$368,567	\$368,567	\$368,567	\$1,850,735
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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

EXPENDITURE EXPLANATION

The Board of Tax Appeals reports the bill is anticipated to increase \$367,467 SGF expenditures and two (2) T.O.'s within the local division beginning in FY26. The two T.O. positions are for a local tax judge (\$217,919 of salary and related benefits) and a confidential assistant (\$90,590 of salary and related benefits) for the judge. The bill increases the membership of the Board of Tax Appeals from three members to four members, by adding an additional local tax judge.

The Board of Tax Appeals reports the following expenses associated with the bill:

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Local Tax Judge and Personal Assistant	\$308,509	\$308,509	\$308,509	\$308,509	\$308,509
Operating Expenses	\$32,878	\$32,878	\$32,878	\$32,878	\$32,878
Other Charges	\$27,180	\$27,180	\$27,180	\$27,180	\$27,180
Equipment	\$7,900	\$0	\$0	\$0	\$0
Total Expenditures	\$376,467	\$368,567	\$368,567	\$368,567	\$368,567
T.O.	2	2	2	2	2

Operating expenses reported include legal subscriptions, bar dues, CLE, travel, and other subscriptions/licenses. Other charges reported include office rent and IT related expenses for the employees. One time equipment costs include a robe, office furniture, printer, and office setup. These estimates include salary adjustments for the positions in future years.

Administratively, it is unclear how the caseloads will be randomly assigned between two judges at the local level and how the local judges will be randomly assigned to the state cases with the existing case management system. The additional travel costs reported by the agency may be necessary to implement the randomly assigned cases, given that four judges will likely be necessary for state hearings or status conferences any given day, rather than just three.

REVENUE EXPLANATION

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

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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}	<div>Deborah Vivien Chief Economist</div>