

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 355** HLS 14RS 216

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 26, 2014 10:13 AM	Author: DANAHAHAY
Dept./Agy.: Revenue/Alcohol and Tobacco Control	Analyst: Deborah Vivien
Subject: Allows Secretary to waive penalties for late payment of tax	

TAX/ALCOHOLIC BEVERAGE EG SEE FISC NOTE SG RV See Note Page 1 of 1
 Authorizes the secretary of the Department of Revenue to waive certain penalties associated with the payment of taxes on certain alcoholic beverages

Current law directs a delinquent alcohol wholesale dealer to apply for the waiver of penalties associated with non-payment of tax (20% of taxes due) greater than \$5,000. The Secretary of the Department of Revenue forwards a recommendation for or against the waiver to the Board of Tax Appeals, where the final determination is made.

Proposed law allows the Secretary of the Department of Revenue to make the final determination of alcohol wholesale dealer penalty waivers without consultation of the Board of Tax Appeals.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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	2014-15	2015-16	2016-17	2017-18	2018-19	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

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Board of Tax Appeals indicates that less than five recommendations for waivers are presented to them each year. Eliminating that duty will not have a material impact on Board operations.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. It is expected that the Secretary of the Department of Revenue will maintain the waiver of penalties within a normal range, as called for by the circumstances of each case. According to the Board of Tax Appeals and the Department of Revenue, there are fewer than five alcoholic beverage penalty waiver recommendations sent to the Board of Tax Appeals in a typical year.

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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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