FISCAL NOTE

Bill #: HB0713 **Title:** Income tax amnesty program for individuals and corporations

Primary Sponsor: Fuchs, D **Status:** Second Reading

Sponsor signature Date Chuck Swysgood, Budget Director Date

Fiscal Summary	**FY 2004**	**FY 2005**
Expenditures:	**Difference**	**Difference**
General Fund	$10,472	$75,000
Revenue:		
General Fund		$1,963,333
Net Impact on General Fund Balance:	($10,472)	$1,888,333

- ☐ Significant Local Gov. Impact
- ☐ Included in the Executive Budget
- ☐ Dedicated Revenue Form Attached
- ☐ Technical Concerns
- ☐ Significant Long-Term Impacts
- ☒ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

1. This bill would provide a two-month tax amnesty program in August and September, 2004. The Department of Revenue would waive all penalties and half of the interest that could be assessed against taxpayers with delinquent income or corporate taxes who file a correct return and pay taxes due and half of the interest due.
2. Based on experience in other states, the amnesty would result in $2,150,000 in additional collections from delinquent taxpayers and non-filers.
3. The Department of Revenue would administer the amnesty program with existing staff. During the amnesty period, 4 FTE would be diverted from normal compliance activity. On average, department compliance activity results in $280,000 of revenue per FTE per year. During the amnesty period, normal audit collections would be reduced by $186,667 (4 FTE x 1/6 year x $280,000 per FTE per year). Net revenue from the amnesty would be $1,963,333.
4. The Department of Revenue would incur costs of $10,472 in fiscal 2004 and $75,000 in fiscal 2005 for printing and mailing amnesty forms and advertising the amnesty.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

No impact.

LONG-RANGE IMPACTS:

A one-time amnesty would not affect future collections.