

Fiscal Estimate Narratives

DOR 7/27/2009

LRB Number	09-3092/1	Introduction Number	SB-238	Estimate Type	Original
Description Expanding the secretary of revenue's authority to waive or reduce interest or penalties					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, if an individual, fiduciary, or trust underpays its estimated tax, the amount of the underpayment is subject to an annual interest rate of 12%, unless certain exceptions apply. Similarly, individuals are required to pay civil penalties if they fail to file income or income and franchise tax returns by the statutory due date, fail to file information returns, file incomplete or incorrect returns, file incomplete or incorrect deposit or withholding reports, or file late withholding reports.

This bill extends the Secretary of Revenue's authority to waive or reduce interest or penalties in these instances if, in the interest of fairness, it is determined that no interest or penalties should be imposed.

Since taxpayers can petition for compromise in order to address issues of inability to pay or fairness and equity, it is unlikely that significant collections of interest and penalties will be waived under the bill. Therefore the fiscal effect of the bill is expected to be minimal.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Description Expanding the secretary of revenue's authority to waive or reduce interest or penalties			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$SeeText	\$
Agency/Prepared By		Authorized Signature	
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		Date	
		7/27/2009	