

Fiscal Estimate Narratives

DOR 3/1/2012

LRB Number	11-3844/1	Introduction Number	AB-0603	Estimate Type	Original
Description The collection of delinquent child support and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Revenue (DOR) is authorized to intercept tax refunds in order to collect certain debts owed to other state agencies. The department collects the debt by subtracting the debt amount from any tax refund owed to the debtor. If the debtor owes more than one certified debt, DOR collects the earliest certified debt first.

Under this bill, if the debtor owes more than one certified debt to other state agencies, DOR first collects child support, family support, maintenance, medical expenses, or birth expenses certified by the Department of Children and Families. After that, DOR collects the debts of other state agencies. The bill eliminates the statutory prioritization by date of debts owed to other state agencies.

Prioritizing the above debts certified by the Department of Children and Families, will result in a larger portion of those debts being intercepted and paid sooner. When debts owed to other state agencies' are lowered in the statutory prioritization, their revenues from the tax refund intercept program will be delayed and reduced.

Changing the order of payments to other state agencies under the tax refund intercept program will not affect DOR revenue, but the department will require one-time administrative costs of approximately \$19,800 to implement the change.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-3844/1		Introduction Number AB-0603	
Description The collection of delinquent child support and granting rule-making authority			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): The bill will require one-time administrative costs of approximately \$19,800 to implement the change to the tax refund intercept program.			
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			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$SeeText	\$
Agency/Prepared By		Authorized Signature	Date
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