

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-4007/2	Introduction Number SB-552	
Description use of a social security number as personal identifier in the administration of a state or local governmental program.		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By DOR/ Bradley Caruth (608) 261-8984	Authorized Signature Rebecca Boldt (608) 266-6785	Date 3/6/2008

Fiscal Estimate Narratives

DOR 3/6/2008

LRB Number	07-4007/2	Introduction Number	SB-552	Estimate Type	Original
Description use of a social security number as personal identifier in the administration of a state or local governmental program.					

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits state agencies and local governments from using social security numbers (SSNs) as identifiers effective January 1, 2009. The prohibition applies to agencies' work in administering all state programs except when the use of SSNs: 1) is required by state or federal law or federal regulation, 2) is specifically authorized by state or federal law or federal regulation, or 3) is necessary for the receipt of federal aids.

The Department of Revenue (DOR) is specifically authorized by federal law [42. U.S.C. sec. 405(c)(2)(C)(i), (iv)] to use SSNs for income tax administration purposes.

The SSN is used for tax administration to ensure that DOR:

- 1) posts income tax returns to the correct individual tax accounts;
- 2) matches employer withheld taxes and quarterly estimated income tax payments to the right income tax returns;
- 3) matches federal tax return information to state tax return information and vice versa;
- 4) certifies wages of the right taxpayer for delinquent taxes;
- 5) matches bank and payer information returns to the right taxpayers;
- 6) levies the right bank accounts for delinquent tax collections;
- 7) offsets federal refunds against delinquent state taxes and vice versa;
- 8) offsets state tax refunds against delinquent taxes, other state agency, and local government debts.

DOR is not, however, authorized by state or federal law or federal regulation to use SSNs for Business Tax Registration. State administrative rules allow DOR to use SSNs for this purpose. Without an exception for state administrative rules, DOR will incur \$44,800 for 1.0 FTE salary and fringe, \$1,800 in ongoing supplies and services costs, and \$3,100 in one-time administrative costs to manually process Business Tax Registration applications. Additionally, the department will incur one-time costs associated with purchasing, testing, and implementing new computer software for the Business Tax Registration System. These costs are not known at this time, but expected to be sizable.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

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Description use of a social security number as personal identifier in the administration of a state or local governmental program.			
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	\$SeeText	\$
	NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		Authorized Signature	Date
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