

Fiscal Estimate Narratives

DOR 4/5/2024

LRB Number	23-5641/1	Introduction Number	SB-1095	Estimate Type	Original
Description providing a tax rebate for 2024					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a onetime tax rebate payable in 2024. Under the bill, all individuals filing an individual income tax return for the 2023 tax year will receive a rebate payment of \$982, and married persons filing a joint return will also receive a rebate payment of \$982. The bill provides that all rebate payments be made no later than December 31, 2024. Under the bill, a nonresident or part-year resident is not eligible for the rebate.

Approximately 2.81 million resident returns were filed for tax year 2022, which would have generated rebates of approximately \$2.76 billion at \$982 per return. This bill may encourage residents who did not file a 2022 return to file a 2023 return, including individuals without a filing requirement and dependent children. These additional returns would increase the aggregate rebate amount.

The department is not able to absorb \$233,770 in anticipated one-time costs to administer the bill.

According to Department of Administration net tax reduction calculations related to the American Rescue Plan Act (ARPA), the remaining margin for tax reductions before triggering potential SLFRF recoupment is \$97.0 million for fiscal year 2024 and \$326.6 million for fiscal year 2025. This bill would exceed those margins.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-5641/1		Introduction Number SB-1095	
Description providing a tax rebate for 2024			
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			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$See Text	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By	Authorized Signature		Date
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