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**FISCAL IMPACT REPORT**

SPONSOR:	Wilson	DATE TYPED:	02/11/00	HB	
SHORT TITLE:	Erroneous Claims of Income Taxes Owed			SB	169/aSWMC
				ANALYST:	Williams

**REVENUE**

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ (70.0)	\$ (70.0)	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

**SOURCES OF INFORMATION**

Taxation and Revenue Department (TRD) - Revised Analysis

Attorney General (AG)

**SUMMARY**

Synopsis of SWMC Amendment

The amendment addressed a technical concern with the bill identified by TRD. The controversial letters of advisement were not sent in March 1999, but instead in August 1999 and requested response by September 7, 1999. The amendment only changes the dates.

#### Synopsis of Original Bill

Certain taxpayers may claim as a credit against income tax due any expenses incurred in defense of an erroneous claim by TRD in a letter of advisement regarding the taxpayer owed income taxes for prior years. This credit could be carried forward for one tax year.

#### **FISCAL IMPLICATIONS**

TRD estimates a General Fund revenue loss of \$70.0, based on an estimated cost of \$200 per claim.

#### **ADMINISTRATIVE IMPLICATIONS**

TRD estimates an additional 2 FTE would be required in FY01 at a cost of \$60.0 to verify claims.

AW/njw:gm