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**F I S C A L   I M P A C T   R E P O R T**



SPONSOR: Gubbels      DATE TYPED: 01/21/02    HB 55

SHORT TITLE: AG Approval for Certain Tax Refunds      SB \_\_\_\_\_

ANALYST: Neel

**REVENUE**

| Estimated Revenue |               | Subsequent<br>Years Impact | Recurring<br>or Non-Rec | Fund<br>Affected |
|-------------------|---------------|----------------------------|-------------------------|------------------|
| FY02              | FY03          |                            |                         |                  |
|                   | Indeterminate | Indeterminate              |                         |                  |

**SOURCES OF INFORMATION**

LFC Files  
Taxation and Revenue Department (TRD)

**SUMMARY**

Synopsis of Bill

House Bill 55 would increase the threshold amount--from \$5,000 to \$10,000--for refunds the Department can award without prior approval of the Attorney General.

Significant Issues

According to TRD, provisions in HB 55 would streamline the process for granting certain refunds. The Attorney General's Office would experience savings of staff time in the process. TRD would probably not experience a significant reduction of workload, but the faster processing of refunds will save some interest expense on the State's part. During the current tax year, the Department expects to process almost 1,000 refunds between \$5,000 and \$10,000 in personal income tax and other programs affected by the proposal.

**FISCAL IMPLICATIONS**

House Bill 55 does not contain an appropriation nor does the agency indicate a fiscal impact.

**OTHER SUBSTANTIVE ISSUES**

According to TRD the \$5,000 threshold has been in the statute for more than 20 years. The consumer price index has more than doubled in the ensuing time period. Thus, the proposed \$10,000 threshold is still smaller in economic value than the original \$5,000 when the latter is converted to today's dollars.

SN/prr:ar