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FISCAL IMPACT REPORT

SPONSOR Fidel DATE TYPED 10/10/05 HB _____

SHORT TITLE 2005 Tax Rebates SB 17/aHTRC

ANALYST Francis

APPROPRIATIONS

Estimated Appropriations		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	(\$500)		Non-Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	(\$101,260)		Non-Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to HB19

SOURCES OF INFORMATION

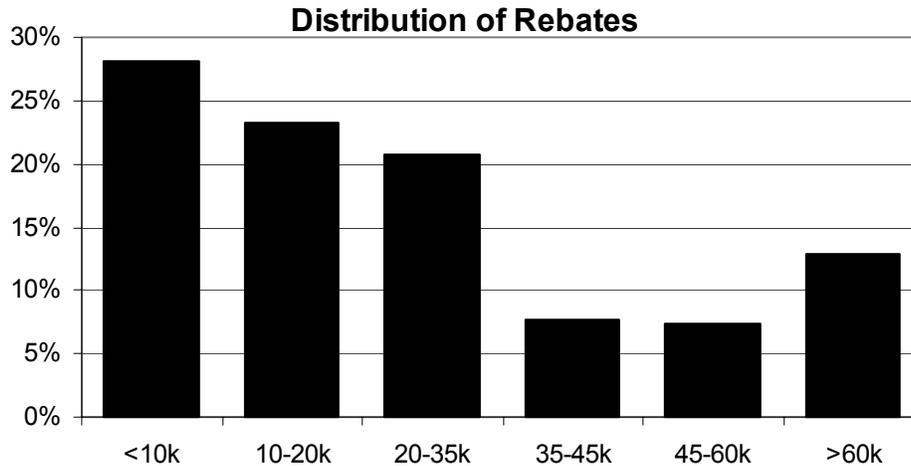
LFC Files
Taxation and Revenue Department (TRD)

SUMMARY

Summary of HTRC Amendment

Senate Bill 17 was amended by the House Taxation and Revenue Committee. The amendment removes the reduction of the income tax rates and the gross receipts tax holiday. The result is that SB17 as amended is identical to HB19 as amended (HB 19 was amended to exempt the rebate from state and local taxes).

Using TRD estimates, the bulk of the rebates, over 70%, will go to taxpayers who have less than \$35,000 in adjusted gross income (see chart).



Fiscal impacts were estimated using information from personal income tax returns. The following adjustments were made to reflect various provisions of the proposal:

- Non-resident taxpayers were excluded;
- Inmates of public institutions were excluded; and
- An estimate of the number of new taxpayers moving into the state during 2005 was added to the population of resident taxpayers from the previous year.

ADMINISTRATIVE IMPLICATIONS

To process the rebates, TRD has estimated that this will cost \$500 thousand to process and distribute the rebates to taxpayers. TRD expects they can complete the job and have all of the rebates mailed out by December 15th, 2005. While this estimate was provided for HB10, which has lower rebate amounts, the processing should not be affected by the amount of the rebate.

NF/sb