

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 29, 2009

TO: Honorable Rene Oliveira, Chair, House Committee on Ways & Means

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3530 by Davis, Yvonne (Relating to allowing a person who originally paid a tax to obtain reimbursement for tax paid in error.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB3530, As Introduced: a negative impact of (\$3,000,000) through the biennium ending August 31, 2011.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	(\$1,000,000)
2011	(\$2,000,000)
2012	(\$3,000,000)
2013	(\$4,000,000)
2014	(\$5,000,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2010	(\$1,000,000)
2011	(\$2,000,000)
2012	(\$3,000,000)
2013	(\$4,000,000)
2014	(\$5,000,000)

Fiscal Analysis

The bill would amend Chapter 111 of the Tax Code, regarding the collection of state taxes.

Under the provisions of the bill, a refund claim could be filed with the Comptroller by the person who originally paid the tax.

The bill would take effect September 1, 2009.

Methodology

Under current law, a tax refund claim can only be filed by the person who directly remitted the tax to the state. This bill would allow either the person who originally paid the tax or the person who directly remits the tax to file the claim. This could create a situation where multiple persons with tax responsibility could file competing refund claims.

For the purpose of analysis, this estimate assumes competing claims would generally be modest in size (averaging \$100). The number of claimants is assumed to start at 10,000 in fiscal 2010, growing to 50,000 by 2014. Thereafter, it is assumed the number of duplicate claims, due to multiple persons able to file claims, would remain at 50,000 annually.

The Comptroller estimates a need for an additional 10 FTEs in fiscal 2010 to fiscal 2014 due to the anticipated increase in refund request referrals for verification and processing of the refund claims. These costs are not reflected in the above table.

Note: The bill would also increase costs to the state related to the payment of credit interest, however these amounts cannot be estimated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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