

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1048

Bill Subtitle: TO AUTHORIZE THE OFFSET OF A TAX REFUND TOWARD A TAX DELINQUENCY WHEN A FINAL ASSESSMENT OF TAX HAS BEEN ISSUED.

Basic Change :

Sponsor: Rep. Jett

HB1048 amends § 26-18-507 to authorize offset of a tax refund against a state tax delinquency after issuance of a Notice of Final Assessment.

Revenue Impact :

None.

Taxpayer Impact :

A taxpayer with an outstanding tax delinquency may be subject to a refund offset if the Department of Finance and Administration (DFA) has issued the taxpayer a Notice of Final Assessment.

Resources Required :

Updates to computer programs will be required.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Department staff will need to be educated as well as the taxpayer community.

Other Comments :

None.

Legal Analysis :

Currently, § 26-18-507 only authorizes the offset of tax refunds towards tax delinquencies for which a tax lien or certificate of indebtedness has been filed. HB1048 would provide DFA the ability to offset an outstanding tax delinquency if a Notice of Final Assessment has been issued. This change could decrease administrative costs due to the possible avoidance of lien filing fees. Additionally, if an offset is permitted after issuance of a Notice of Final Assessment, the offset has the potential to benefit taxpayers by perhaps settling an outstanding delinquency before a tax lien is filed and thus avoiding damage to a taxpayer's credit rating.