

# DEPARTMENT OF TAXATION

## 2004 Fiscal Impact Statement

1. **Patron** Joseph P. Johnson, Jr.

2. **Bill Number** HB 924

3. **Committee** Senate Finance

**House of Origin:**

☐ Introduced

☐ Substitute

☐ Engrossed

4. **Title** Collection of state taxes by local treasurers

**Second House:**

☒ In Committee

☐ Substitute

☐ Enrolled

### 5. Summary/Purpose:

This bill would allow the Department of Taxation to appoint local government treasurers to collect delinquent state taxes in the same manner as they collect delinquent local taxes.

This bill does not specify an effective date.

6. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

#### 6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2003-04	\$42,220	GF
2004-05	\$6,600	GF
2005-06	\$6,600	GF
2006-07	\$6,600	GF
2007-08	\$6,600	GF
2008-09	\$6,600	GF
2009-10	\$6,600	GF

7. **Budget amendment necessary:** Yes.

Item(s): 284 and 286 Department of Taxation

### 8. Fiscal implications:

The Department would incur administrative costs in the amount of \$42,220 in FY 2005 and \$6,600 annually thereafter to set up systems for assigning and tracking collections assigned to local treasurers.

The impact of this bill on General Fund revenue is unknown. However, to the extent that local Treasurers collect state taxes that would otherwise have been uncollectible, General Fund revenue would be increased.

**9. Specific agency or political subdivisions affected:**

Local Treasurers  
Department of Taxation

**10. Technical amendment necessary: None.**

**11. Other comments:**

The Department has a sophisticated collection system for collecting delinquent state taxes that has also been successfully utilized to collect other debts owed to the state and local governments, e.g., court fines and costs. However, there may be situations where it would be appropriate to utilize local treasurers. For example, if a taxpayer owes both local and state taxes it may be more efficient to permit the local treasurer to collect both together.

cc : Secretary of Finance

Date: 1/23/04 JPJ