

# DEPARTMENT OF TAXATION

## 2007 Fiscal Impact Statement

1. **Patron** Vivian E. Watts

2. **Bill Number** HB 2284

**House of Origin:**

☐ Introduced

☐ Substitute

☐ Engrossed

3. **Committee** Senate Finance

4. **Title** Withholding; Filing Returns

**Second House:**

☒ In Committee

☐ Substitute

☐ Enrolled

### 5. **Summary/Purpose:**

This bill would require those employers who must file withholding tax returns on a monthly basis to file those returns on the 25<sup>th</sup> of the following month. Under current law, monthly filers must file the return on the last day of the following month for months that close a calendar quarter. For months that do not close a calendar quarter, the return is due on the 20<sup>th</sup> day of the following month.

The provisions of this bill would be effective January 1, 2008.

6. **Fiscal Impact Estimates are:** Preliminary. (See Line 8.)

7. **Budget amendment necessary:** No.

### 8. **Fiscal implications:**

#### Administrative Costs

TAX considers the implementation of this bill as routine, and does not require additional funding.

#### Revenue Impact

This bill may have a negative revenue impact due to the loss of interest earnings, but it would be negligible.

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

Department of Taxation

10. **Technical amendment necessary:** No.

## 11. Other comments:

### Current Law

Employers must file a monthly withholding tax return if their average monthly withholding tax liability is at least \$100, but less than \$1,000. For months that close a calendar quarter, taxpayers must file the return on the last day of the following month. For months that do not close a calendar quarter, the return is due on the 20<sup>th</sup> day of the following month.

### Proposal

This bill would require those employers who must file withholding tax returns on a monthly basis to file those returns on the 25<sup>th</sup> of every month.

cc : Secretary of Finance

Date: 2/7/2007 AMS  
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