

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** Passed House and Senate

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 25th 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 20th 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 20th 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 25th of every month.

cc : Secretary of Finance

Date: 2/19/2007 AMS
HB2284FER161