

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB 15

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                 In Committee              Substitute                  Enrolled

**2. Patron:** Edwards

**3. Committee:** Rehabilitation and Social Services

**4. Title:** Income tax credit, earned; Department of Social Services to provide notice to all applicants

**5. Summary:** Requires the Department of Social Services to provide notice of the earned income tax credit to all applicants for or recipients of assistance.

**6. Fiscal Impact Estimates:**

**Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	-	-	-
2009	\$446,500	-	General
2010	\$446,500	-	General
2011	\$446,500	-	General
2012	\$446,500	-	General
2013	\$446,500	-	General
2014	\$446,500	-	General

**7. Budget Amendment Necessary:** Yes, item 337

**8. Fiscal Implications:** This bill would require the Department of Social Services to mail all applicants and recipients of public assistance notice of the federal and state earned income tax credits in January and specifies that the notice must include:

- Qualifying income levels;
- The amount of credit available;
- The process for applying for the credit; and
- The availability of assistance in applying for the credit.

To provide this level of information, the department would have to use a letter format. In calendar year 2006, there were 1,174,000 recipients of assistance programs. There is some duplication in this count when households participate in more than one assistance program. However, there are also individuals who are not receiving assistance, but did apply for assistance, that are also required to receive this notification. Therefore, for estimating purposes, it is assumed that approximately 1,174,000 letters will be mailed annually.

The department would utilize a contractor since this activity would only occur once a year and the department does not have the necessary equipment to conduct a mailing of this size. Based on a recent mass mailing, the total per unit cost for printing, envelopes, stuffing and bulk rate postage is estimated at \$0.38. The total estimated cost of this mailing would be \$446,500 (1,174,000 x \$0.38).

**9. Specific Agency or Political Subdivisions Affected:**

Department of Social Services

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

**Date:** 1/11/2008

**Document:** G:\2008 Fiscal Year\08 Session\Fis\Sb15.Doc

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