

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: SB 15

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Edwards

3. Committee: -

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

5. Summary: As substituted, the proposed legislation requires the Department of Social Services (DSS) to provide an annual notice of the earned income tax credit (EITC) to all recipients of Temporary Assistance for Needy Families (TANF), food stamps, or medical assistance who had earned income in the prior tax year based on information available through the Virginia Employment Commission (VEC) and, according to information made available by the Virginia Department of Taxation, either did not file federal or state income taxes or filed taxes and did not claim the federal or state earned income tax credit.

6. No Fiscal Impact

7. Budget Amendment Necessary: No

8. Fiscal Implications: The introduced bill required that EITC notices be mailed to all recipients of public assistance; whereas the substitute version limits the mailings to a much smaller population. The department currently matches its TANF, food stamp, and Medicaid caseload with VEC and Taxation data to target those who had earned income in the prior tax year and either did not file taxes, or filed taxes but did not claim the earned income tax credit. The Department of Social Services has already conducted a mailing and notices were sent to 76,043 individuals who met these criteria. Since the modified legislation only codifies a current practice of the department no fiscal impact is anticipated.

9. Specific Agency or Political Subdivisions Affected:
Department of Social Services

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/1/2008

Document: G:\2008 Fiscal Year\08 Session\Fis\Sb15s1.Doc

cc: Secretary of Health and Human Resources