

DEPARTMENT OF TAXATION

2023 Fiscal Impact Statement

1. **Patron** Tara A. Durant

3. **Committee** Passed the House and Senate

4. **Title** Filing of tax returns or payment of taxes by mail.

2. **Bill Number** HB 1927

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 X **Enrolled**

5. **Summary/Purpose:**

This bill would allow a tax return or a tax payment to be deemed to have been timely received if, through no fault of the taxpayer, no postmark is affixed, or if the postmark affixed by the U.S. Postal Service is illegible or bears no date and such tax return or payment is received within five days of the due date. The bill also provides that no penalty or interest would be imposed if a taxpayer provides evidence that a return filing or payment was timely processed by producing a U.S. Post Service Certificate of Mailing, or other proof of mailing, showing such return or payment was made on time, or if a taxpayers failure to file a return or make a payment to a locality was the fault of the U.S. Postal Service.

If this bill is enacted during the 2023 Regular Session of the General Assembly, it would become effective July 1, 2023.

6. **Budget amendment necessary:** No.

7. **Fiscal Impact Estimates are:** Unknown. (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

This bill would have no impact on local administrative costs. The Department of Taxation (the "Department") considers implementation of this bill as routine and does not require additional funding.

Revenue Impact

This bill would have no impact on state or local revenues.

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

Department of Taxation
Local Treasurers

10. Technical amendment necessary: No.

11. Other comments:

Current Law

A tax return or payment remitted by mail and bearing a postmark from the U.S Postal Service on or before the due date is considered timely filed, regardless of when the taxing entity actually receives it.

Proposed Legislation

This bill would allow a tax return or a tax payment to be deemed to have been timely received if, through no fault of the taxpayer, no postmark is affixed, or if the postmark affixed by the U.S. Postal Service is illegible or bears no date and such tax return or payment is received within five days of the due date. The bill also provides that no penalty or interest would be imposed if a taxpayer provides evidence that a return filing or payment was timely processed by producing a U.S. Post Service Certificate of Mailing, or other proof of mailing, showing such return or payment was made on time, or if a taxpayers failure to file a return or make a payment to a locality was the fault of the U.S. Postal Service.

cc: Secretary of Finance

Date: 2/27/2023 ADD
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