

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB14

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

**2. Patron:** Edwards

**3. Committee:** Commerce and Labor

**4. Title:** Income tax credit, earned; employers to provide notice to employees.

**5. Summary:** This bill requires employers to provide written or oral notice to all new employees that they may be eligible for the earned income tax credits. Employers are to post any notice that may be provided by the Department of Social Services informing all employees that they may be eligible for the earned income tax credits. This bill also establishes a fine for noncompliance, which shall be not less than \$100 and not more than \$250.

**6. Fiscal Impact Estimates:** Preliminary. See Item 8.

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2008	\$0	0.00	n/a
2009	\$127,057	1.50	GF
2010	\$127,057	1.50	GF
2011	\$127,057	1.50	GF
2012	\$127,057	1.50	GF
2013	\$127,057	1.50	GF
2014	\$127,057	1.50	GF

**7. Budget Amendment Necessary:** Yes, Item 116.

**8. Fiscal Implications:** This bill mandates that all employers provide both written and oral notice to all new employees that they may be eligible for earned income tax credits, and that they post any notices provided by the Virginia Department of Social Services (DSS) that informs them of such. The bill also establishes a fine for noncompliance of not less than \$100 and not more than \$250. The establishment of fines lends to the possibility that this bill could result in a positive revenue impact to the State Literary Fund, as any fines collected are directed towards this fund. However, any revenue impact is not expected to be significant.

The Department of Labor and Industry (DOLI) is charged with determining noncompliance on the part of the employer and for issuing fines for violations of the provisions of this bill. As such, DOLI anticipates that they would need additional FTEs to handle enforcement of this bill. DOLI estimates that one full time Program Administration Specialist, and one part-time Program Administration Specialist will be needed to meet the demands of enforcement

of this bill. DOLI estimates that the total cost for additional positions, including salary, benefits, and non-personal service costs, to be \$127,057 annually.

This bill does not explicitly require the Department of Social Services (DSS) to produce or distribute any notices regarding the earned income tax credits. As such, DSS does not anticipate a significant fiscal impact as a result of this bill and estimates that any impact can be absorbed within current resources.

**9. Specific Agency or Political Subdivisions Affected:** Department of Labor and Industry, Department of Social Services, all state agencies.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This bill is the companion of HB284.

**Date:** 1/18/2008 dpbaek

**Document:** G:\FIS\2008 Fiscal Impact Statements\DOLI\SB14.Doc aek

cc: Secretary of Commerce and Trade  
Secretary of Finance