

DEPARTMENT OF TAXATION

2010 Fiscal Impact Statement

1. **Patron** Betsy B. Carr

3. **Committee** House Finance

4. **Title** Department of Taxation Electronic
Communications

2. **Bill Number** HB 837

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would require TAX to develop a method by which a taxpayer may decline to receive bulletins, publications, or other information provided by TAX electronically.

This effective date of this bill is not specified.

6. **No Fiscal Impact.** (See Line 8.)

7. **Budget amendment necessary:** No.

8. **Fiscal implications:**

Administrative Impact

TAX has not assigned any administrative costs to this bill because the changes required by a single bill such as this can be implemented as part of the annual changes to our systems and forms. As stand-alone legislation, TAX considers implementation of this bill as "routine," and does not require additional funding.

TAX will provide specific administrative costs on any legislation that is not "routine." Additionally, TAX will review all state tax legislation likely to be enacted prior to the passage by each house. If the aggregate number of routine bills likely to pass either house is unusually large, it is possible that additional resources will be required. If so, TAX will identify the costs at that time.

Revenue Impact

This bill would have no impact on revenue.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. Technical amendment necessary: Yes.

In order to clarify which taxpayers may decline to receive electronic communication from TAX, the following technical amendment is suggested:

Page 1, Line 30, After *a taxpayer*

Strike: *who files a state tax return, statement or document electronically,*

11. Other comments:

Current Policy

Taxpayers may communicate with TAX through email in two different forms:

- Secure email is a two-way communication tool used when taxpayers have specific questions about their account. It is a secure channel for emailing confidential tax information. With secure email, the taxpayer must authenticate himself based on a series of questions before a TAX representative will discuss his account.
- Non-secure email is a two-way communication tool used when taxpayers have general questions, such as how to find a form or what date a particular tax payment is due. No confidential information is exchanged using non-secure email.

Both of these forms of communication are initiated by the taxpayer. The only forms of email that will be initiated by and sent from TAX to specific taxpayers in any kind of account-related matter are confirmations if they file a certain forms of returns online. In addition, an iFile registered taxpayer can request that we send a reminder email 5 days prior to a filing due date. This is only done at the taxpayer's request, however.

In addition to these taxpayer-specific forms of communication, TAX created an e-Subscription system in September of 2009. E-Subscriptions are a one-way, mass communication tool used by TAX to send emails to taxpayers and tax preparers on a variety of topics such as filing reminders, legislative changes, educational information, etc. Nothing of a confidential nature is ever sent out using e-Subscriptions. Taxpayers must subscribe for this service and can unsubscribe at anytime.

Proposal

This bill would require TAX to develop a method by which a taxpayer may decline to receive bulletins, publications, or other information provided by TAX electronically. This would prevent TAX from making future unsolicited mass mailings and would ensure that in the future taxpayers must "opt in" to receive electronic mailings from TAX.

This effective date of this bill is not specified.

cc : Secretary of Finance

Date: 2/2/2010JKM
HB837F261