



**Colorado
Legislative
Council
Staff**

SB17-194

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0900
Prime Sponsor(s): Sen. Neville T.
 Rep. Pabon

Date: February 20, 2017
Bill Status: Senate Finance
Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: EXCEPTION TO DEADLINES DUE TO REFUND-RELATED FRAUD

| Fiscal Impact Summary | FY 2016-2017 <i>(current year)</i> | FY 2017-2018 | FY 2018-2019 |
|---|---|---------------------|---------------------|
| State Revenue | | | |
| State Expenditures General Fund | Potential minimal impact. | | |
| Appropriation Required: None. | | | |
| Future Year Impacts: Ongoing minimal expenditure impact. | | | |

Summary of Legislation

Under current law, if statutory deadlines for sending out income tax refunds are not met, a penalty of 5 percent of the amount of tax refunded and interest are added to the refund. This bill specifies that statutory deadlines do not apply if the Department of Revenue (DOR) suspects identify theft or other refund-related fraud.

Background

Current law requires the DOR to meet certain deadlines when sending out tax returns, as outlined in Table 1.

| Month Filed | Return Deadline |
|--------------------|------------------------|
| January | 14 days |
| February | 21 days |
| March | 28 days |
| April | 45 days |

State Expenditures

Beginning in the current FY 2016-17, there will be a potential minimal expenditure impact. This bill will minimally increase expenditures in the Department of Law to the extent that there is a need for legal services arising from this bill. This workload is anticipated to be minimal and can be accomplished within current appropriations. To the extent that DOR identifies identity theft and fraud, there will be a resulting decrease in interest and penalties paid out, which will lead to a minimal decrease in General Fund expenditures. This bill will create no change in the current process DOR uses to add refund penalty and interest amounts.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Information Technology
Law

Judicial
Revenue