



**Colorado  
Legislative  
Council  
Staff**

**SB17-194**

**FINAL  
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:** June 7, 2017  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Ryan Long (303-866-2066)

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

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

| <b>Month Filed</b> | <b>Return Deadline</b> |
|--------------------|------------------------|
| 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 was signed into law by the Governor and took effect on March 30, 2017.

**State and Local Government Contacts**

Information Technology      Judicial      Revenue