

BDR 32-709

AB 266

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 21, 2017

Agency Submitting: Department of Taxation

| Items of Revenue or Expense, or Both | Fiscal Year 2016-17 | Fiscal Year 2017-18 | Fiscal Year 2018-19 | Effect on Future Biennia |
|---|------------------------|------------------------|------------------------|-----------------------------|
| Personnel (Expense) | | \$44,602 | \$60,787 | \$133,731 |
| Operating (Expense) | | \$1,706 | \$349 | \$698 |
| Equipment (Expense) | | \$5,597 | | |
| Information Services (Expense) | | \$34,242 | \$341 | \$682 |
| Total | 0 | \$86,147 | \$61,477 | \$135,111 |

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Monday, March 20, 2017

The agency's response appears reasonable

Name Laura Freed

Title Executive Budget Officer

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: 32-709Name of Agency: Department of Taxation

Division/Department: _____

Date: March 15, 2017

BDR 32-709 authorizes tax credits for employers who provide paid family medical leave for employees against the Modified Business Tax or Commerce Tax. The credit is equal to the family medical leave wages paid by the employer during the period for which the tax is paid, but not to exceed \$500 per week or more than 12 weeks. This bill becomes effective on January 1, 2018 for purposes of the Modified Business Tax and effective on July 1, 2018 for the Commerce Tax.

Revenue:

The impact on revenue cannot be determined.

Expense:

The Department would be required to re-program the Unified Tax System in order to correctly administer these changes. The below costs include programming changes.

The Department would also require additional support staff to manage this new program. The following costs include one Tax Examiner II starting October 1, 2017.

FY 2018: \$86,147

FY 2019: \$61,477

Future Biennia: \$135,111