

FISCAL NOTE
HOUSE BILL NO. 1460
LC# 23.0561.01000
01/24/2023

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1460 is related to a paid family medical leave program, and income tax credit for contributions paid into the paid family medical leave fund on behalf of eligible employees, and to provide an appropriation.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

Section 1 of HB 1460 creates a paid family medical leave fund. The fund consists of all moneys deposited into the fund from employers and employees for contributions into the paid family medical leave program. The moneys in the fund may be expended by the labor commissioner only to pay wages of an eligible employee under the program, and to pay for administrative costs associated with the administration of the program.

Section 2 and 3 of HB 1460 creates a paid family medical leave program tax credit. A taxpayer that is an employer within this state and which contributes to the paid family medical leave fund is entitled to a credit against state income tax liability in an amount equal to 20% of the contributions paid by the taxpayer to the fund on behalf of eligible employees participating in the program during the tax year.

Section 4 of HB 1460 creates an appropriation from the general fund for the sum of \$5,000,000 or so much the sum as may be necessary to the paid family medical leave fund for the 2023-2025 biennium. The funds must be paid back to the general fund over a period of 20 years. The funds transferred should be derived from the legacy fund earning transferred to the general fund during the 2023-2025 biennium.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

If enacted, HB 1460 could create decreases to the general fund. The actual reduction in revenue is dependent on several undetermined factors. This includes the number of employers and employees that participate in the family medical leave program, the number of individuals claiming the credit and finally, what the taxpayers' liabilities are.

Due to these factors, the Office of State Tax Commissioner is unable to provide a reliable estimate for this revenue reduction amount.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

If enacted, HB 1460 up to \$5 million would be transferred from the legacy earnings fund to the paid family medical leave fund, subject to legislative appropriation.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Contact Information

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