

(Prepare in triplicate)

FISCAL NOTE

Prepared in regard to:

House Bill 62

(list bill or resolution and number, if available, or subject)

Amendment to: _____
(list bill or resolution and number)

REQUESTED BY: L.R.C. DATE OF RECEIPT Jan. 6, 19 69

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed attach a supplementary sheet. Please type.

See Attached Sheet

Date of preparation: 1-13-69

Signed *Kenneth M. Jakes*

Typed name Kenneth M. Jakes
Chief Legal Counsel

Department State Tax Department

Computer print-outs from which we hope a reasonably good estimate of loss of revenue can be made will not be available from Central Data Processing until later this month or early February.

Prior to enactment of nonresident withholding in 1967 the generally accepted estimate of the amount of additional revenue that would be collected was \$400,000 per year or \$800,000 per biennium and this is the estimate that was used when the nonresident withholding law (House Bill 833) was enacted in 1967.

Withholding collections are actually about \$1,300,000 per year and are increasing but this includes a substantial but undetermined amount that would have been collected even if there had been no withholding. It should be pointed out, however, that in addition to the loss of the estimated \$800,000 of revenue that would be caused by repeal of withholding, the income tax collections in the 1969-1971 biennium would also be at least \$265,000 less than if there had never been withholding because it is estimated that that amount was withheld by employers during January, February and March 1969 and therefore will be paid to the Tax Department before June 30, 1969 and will be shown as a tax department collection in the 1967-1969 biennium, whereas if no withholding had been in effect most of that amount would not have been paid until in the 1969-1971 biennium because it would have been paid with the 1969 returns when they are filed in 1970.