

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1264

Amendment to: _____

Requested by: Legislative Council

Date of Receipt: 1/17/83

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative: HB 1264, if enacted, would provide no revenues to the state general fund. The Tax Department does not have ready access to information relating to the bill's maximum revenue potential among local school districts. Administrative costs to the state would depend on the number and size of the school districts levying the tax. Estimated administrative expense include:

- Start-Up Expenses - \$31,000
 - Data Processing Program Charges
 - Equipment
- On-Going Administrative Costs - \$447,000 per Biennium
 - On-Going Data Processing
 - Returns Screening, Processing, Accounting and Revenue Distribution
 - Additional Printing
 - Program Charges to Accomodate or Drop Additional Counties
 - Auditing
 - Enforcement
 - Collections

(SEE ATTACHED SHEET)

State Fiscal Effect:

1983-84		1984-85		Biennium Total	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>

County and City Fiscal Effect:

1983-84		1984-85		Biennium Total	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Date prepared: 2/4/83

Signed *C. William Cudworth*
 Typed Name C. William Cudworth
 Department TAX *AAB*

NARRATIVE, HB 1264 (Continued)

If HB 1264 is enacted, it is recommended that a contingency fund of \$478,000 be established to cover administrative costs during the biennium. (There are 325 separate school districts, currently 122 have bonds outstanding).

NOTES:

1. Because corporations would be required to apportion their income among the school districts in which they do their business, corporate income tax form design, compliance and auditing could become extremely complicated and costly.
2. The data specified on page 3 of section C of the bill for notifying the Tax Commissioner of a school district income tax levy is too late for forms design. Forms design must be completed on or about September 30 each year.
3. Current forms request that taxpayers identify the school district in which they reside. At last count, over 10% of the filers failed to supply this information and a significant number supply incorrect codes, suggesting the compliance procedures could be costly.