

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1723

Bill Subtitle: TO PROVIDE FOR THE OFFSET OF A STATE TAX REFUND AGAINST AN EXISTING TAX DEBT FOR WHICH A NOTICE OF FINAL ASSESSMENT HAS BEEN ISSUED.

Basic Change :

Sponsor: Rep. M. Gray

HB1723 provides that DFA may offset a tax refund against a tax deficiency owed by the same taxpayer if a Notice of Final Assessment has been issued for the delinquent tax. A Notice of Final Assessment is issued only after a taxpayer has been afforded the opportunity to challenge a tax assessment at an administrative hearing. Under current law, DFA may offset a tax refund against a taxpayer's tax deficiency only after a certificate of indebtedness (state tax lien) has been filed. This bill allows a tax deficiency to be satisfied without a tax lien being filed, thus saving the state the expense of filing a tax lien and preventing an unneeded tax lien from being filed of record against a taxpayer.

This bill is effective 90 days after adjournment of the General Assembly.

Revenue Impact :

None.

Taxpayer Impact :

A taxpayer's refund may be offset against a tax deficiency owed by the same taxpayer prior to a lien being filed.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

None.