

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1570**

**Bill Subtitle: THE EMPLOYER STREAMLINED REPORTING ACT.**

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**Basic Change :**

Representative Neal

The provides for creation of a state website to be used by employers to enter all required reporting to state agencies, including sales tax, withholding tax, unemployment reporting, and child support. The data would then be transmitted to the appropriate agency. The bill appears to be a shell bill in its present form.

**Revenue Impact :**

None

**Taxpayer Impact :**

Taxpayer would utilize the website to report all data required to be reported to a state agency.

**Resources Required :**

Unknown costs to develop and maintain the website.

**Time Required :**

The proposal does not require the website be available on a date certain. This would require working with multiple state agencies that collect fees and taxes or require an employer to report data. The website would then need to be developed and processes established to allow for the transmittal of the data and the deposit of any monies received.

**Procedural Changes :**

Procedures would have to be developed to maintain any confidentiality requirements for tax information and other types of data that is restricted by state or federal law.

The bill does not specify which agency would be responsible for the access, security or funding of the website for the other agencies.

Some agencies such as DFA, the Office of Child Support Enforcement and Department of Workforce Services operate under federal guidelines and federal guidelines prohibit certain types of data from being incorporated into a consolidated state reporting system in which their data is comingled with data for other state agencies. These agencies also receive federal funding that cannot be used to support state filing requirements for unrelated state agencies.

State law determines the due dates for required reporting for the various state agencies and tax types. There is also concern that much of the data required by state agencies is time sensitive and may be delayed while being forwarded to the appropriate agency. Consequently, the requirement that the information be provided all at the same time may be problematic.

**Other Comments :**

DFA currently hosts a website allowing for electronic tax return filing and payment for the major business taxes collected by DFA at no cost to the taxpayer.

The bill does not limit which agencies would be required to participate in the development of the website. It would require significant time to determine each state agency reporting requirements.

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### **Legal Analysis :**

This is a shell bill. The bill's stated purpose is to create a state website that allows an employer to perform all required reporting to state agencies on a single website (including but not limited to withholding, sales tax, child support, and unemployment). The website is then supposed to forward the information to the appropriate state agency.