



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: HB1497

Bill Subtitle: TO ADD THE DEPARTMENT OF THE MILITARY TO THE LIST OF CLAIMANT AGENCIES FOR PURPOSES OF THE SETOFF AGAINST STATE TAX REFUNDS.

Sponsors:

Reps. Painter and Ray

Sen. Crowell

Basic Change:

HB1497 amends § 26-36-303(1)(A) to add the Department of the Military as a claimant agency who can offset a taxpayer's state income tax refund to satisfy a debt.

Fiscal Impact:

None.

Taxpayer Impact:

A taxpayer owing unpaid fines to the Department of the Military under § 12-64-301 and §§ 12-64-403 – 12-64-405 may have his or her state income tax refund offset to satisfy the debt.

Resources Required:

Computer programs, tax forms, and instructions will need to be updated. Programming costs for the Arkansas Integrated Revenue System (AIRS) are estimated to be \$4,000.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

Department employees will need to be educated as well as the tax community. Instruction manuals would need to be updated to add another claimant agency to the setoff program.

Other Comments:

None.

Legal Analysis:

HB1497 may benefit from an amendment to only add "The Department of the Military" to the definition of "claimant agencies" in § 26-36-303(1)(A), and to add the fines imposed under § 12-64-301 and §§ 12-64-403 -- 12-64-405 to the definition of "debt" in § 26-36-303(2).