

Proposed 2011 Session Legislation

Agency Name & No: DEPARTMENT OF REVENUE - 5801

Priority Number: 2 Filename: \5801\07-002

Short Title: Improve the efficiency of state tax system administration by allowing the electronic copy of tax forms to serve as the official record and by simplifying the redistribution to the general fund of accommodations tax paid by state agencies.

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1. Purpose:

Improve the efficiency of state tax administration by harnessing the benefits of imaging technology and eliminating wasteful and unnecessary accounting activities.

2. Background:

In order to maximize the efficiencies of imaging technology and reduce administrative costs of handling and storage of paper tax documents, this proposal would recognize that electronic files of tax forms serve as the official government record of these documents. The second feature of this proposal would eliminate the wasteful accounting activity in all state agencies by determining the reimbursement to the general fund for accommodations taxes paid by state agencies through a simple formula instead of by the laborious, travel claim by travel claim review of taxes paid by each state employee on all trips taken during a year. The general fund would be kept whole through the new formula redistribution.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible.

Over a five year period, the use of electronic copies as official documents will progressively reduce general fund costs for handling and storing paper tax documents. The cost reduction will be measurable after four or five years when most prior year paper returns will have been eliminated. The substitution of a formula redistribution of accommodations tax revenue to the general fund for the current wasteful "trip by trip" accounting process will improve the efficiency of centralized service operations in all state agencies without any loss to the general fund.

4. Summary Checklist [Check & complete all that apply]--

Summary Checklist with checkboxes and input fields for: Housekeeping Only, Federal Requirement, Audit Recommendation, Major Legislation, Anticipated to be Controversial Legislation, Bill Draft has been included in Legislation Submittal, Supports Submitted EPP Item Number, Local Government Fiscal Impact, FTE changes, Revenue changes (Tax, Fee, Penalty), Previous Legislative Sessions, Other state agencies affected, Special Interest Groups Affected, and Other.