

HCS HB 1717 -- WITHHOLDING TAX FILING REQUIREMENTS

SPONSOR: Koenig (Kelley, 126)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Ways and Means by a vote of 12 to 0.

Currently, an employer is allowed to file an annual withholding tax return instead of four quarterly returns when the aggregate amount withheld is less than \$20 in each of the four preceding quarters. This substitute changes the amount to less than \$100.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of More than \$100,000 in FY 2013, \$0 in FY 2014, and \$0 in FY 2015. No impact on Other State Funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the current frequent filing requirements require employers in small businesses to prepare and file tax forms quarterly and require state employees to process the payments and forms. The bill is not a tax credit or tax break, it just eases a paperwork burden on small businesses by allowing annual filing instead of quarterly filing. These are businesses that owe a very small amount of tax. The fiscal note is not correct because the bill has no cost and will result in a small reduction in staff hours needed to process the withholding tax returns.

Testifying for the bill was Representative Kelley (126).

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that there is no loss of revenue with the bill, just a shift in the timing of collections. The revenue amounts in question are very small compared to the total state budget.

Testifying on the bill was Department of Revenue.