

# FISCAL NOTE

## SB 903 - HB 1252

February 22, 1999

**SUMMARY OF BILL:** Extends deadline for initiation of back assessments and reassessments on tangible or intangible personal property, regardless of circumstances, and for filing an amended personal property schedule from 1 to 5 years. Specifies that the interest rate charged on the amount of back assessments or reassessments of property will be the prime rate minus two points and will not be imposed until 60 days after the notice of additional taxes is sent to the taxpayer unless the back assessment or reassessment resulted from fraud or connivance. Provides that in the case of back assessments and reassessments resulting from fraud or connivance the penalty and interest accrue from the date of delinquency of the original assessment. Provides for the revision of a forced assessment proven to be excessive during an audit by the fifth year following the year for which the original assessment was made.

### ESTIMATED FISCAL IMPACT:

#### Local Govt. Revenues - Net Impact - Not Significant

Assumes:

- Local governments will experience an increase in revenues from additional property taxes collected as a result of the extended deadline on back assessments and reassessments.
- Local governments will experience a decrease in revenues from the lower interest rate provided for on some back assessments and reassessments (currently 18% per annum interest is charged).
- Local governments will experience a decrease in revenues from refunding taxes on excessive forced assessments.
- Conflicting revenue effects should offset each other in initial years under new provisions as bill provides these provisions shall not apply to tax years prior to 1998.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James A. Davenport, Executive Director

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