

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1080 - SB 1238

February 27, 2013

SUMMARY OF BILL: Exempts speech pathologists from the occupational privilege tax, beginning January 1, 2014.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$696,400

Decrease State Expenditures – \$7,200

Assumptions:

- Pursuant to Tenn. Code Ann. § 67-4-1703(a), speech pathologists are subject to a \$400 privilege tax, due and payable on June 1 of each year.
- Pursuant to Tenn. Code Ann. § 67-4-1701, privilege tax collections are required to be deposited to the General Fund.
- According to the Department of Revenue, there were 1,723 speech pathologists that filed occupational privilege tax returns in FY11-12. This number is assumed to remain constant into perpetuity.
- Pursuant to Tenn. Code Ann. § 67-4-1709, any employer, including any governmental entity, is authorized to remit the occupational privilege tax on behalf of persons subject to the tax who are employed by such employer.
- Based on a query of the state employee database, it is estimated there are 18 additional speech pathologists for which the State of Tennessee pays the occupational privilege tax. This number is assumed to remain constant into perpetuity.
- It is estimated that, as a result of this bill, no speech pathologists will file occupational privilege tax returns in FY13-14, with knowledge that the occupation will be exempt from the tax beginning with January 1, 2014.
- It is assumed that, under current law, no penalties or interest would be assessed in FY13-14 and subsequent years.
- The recurring decrease in state revenue is estimated to be \$696,400 [$\$400 \times (1,723 + 18)$].
- The recurring decrease in state expenditures is estimated to be \$7,200 ($\400×18).
- There will be no staff reductions as a result of exempting speech pathologists from the occupational privilege tax.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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