

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1145 - SB 1251

March 7, 2013

**SUMMARY OF BILL:** Requires a dealer, who is required to pay sales and use tax, to provide to the Department of Revenue (DOR) a copy of each 1099-K form with the dealer's next return, filed after receipt of such form.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$179,000/One-Time**

Assumptions:

- According to DOR, all sales tax taxpayers with an average liability of \$500 or more are required to file their tax returns electronically. Most dealers receiving 1099-K forms satisfy this threshold requirement and will be required to submit their 1099-K forms by electronic means.
- DOR currently receives 1099-K form information from the Internal Revenue Service; however, DOR does not currently have the ability to accept such information electronically from dealers.
- According to DOR, the Information Technology Resources Division, changes to the existing software and databases would be required to accept dealer submissions of 1099-K forms.
- DOR estimates that such changes would result in a one-time increase in state expenditures of \$179,000.

**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".

Lucian D. Geise, Executive Director

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