

SB 194

Department of Taxation

Position Summary

Senate Committee on Ways & Means/March 2, 2009

(19)

Bill Number	Bill Title "Relating to..."	Position	Comments	Revenue Impact	Methodology
SB 972 SD 1	TAX ADMINISTRATION	Strong concerns; prefer original version	*The Department strongly prefers the enforcement efforts set forth in the original measure because they are effective and comprehensive to target the Cash Economy. * Tax clearances as provided in this measure will be both time consuming and costly for the Department and taxpayers. The Department would need additional resources to accomplish this measure beyond what the original measure provided.	Potentially substantial, assuming sufficient resources.	Pending

SB 38	TAX ON TOBACCO PRODUCTS OTHER THAN CIGARETTES	No position	No technical comments.	An estimated \$1.75 million per year could be collected for the Community Health Center Special Fund.	At the current tax rate of 40% on wholesale price of non-cigarette tobaccos, the tax collections for other tobacco products amounted to about \$3.5 million in 2008. Assuming the same business activity, the new 60% tax on the wholesale price of non-cigarette tobaccos will increase this amount to \$5.25 million per year. One third of this collection is about \$1.75 million.
SB 194 SD 1	TAXATION	Support	No technical comments.	Potential revenue from assessment of the preparer penalties. Likely nominal.	None.