EIGHTY-FIFTH GENERAL ASSEMBLY
2014 REGULAR SESSION
DAILY

SENATE CLIP SHEET

MARCH 10, 2014

SENATE FILE 2298

S-5048

Amend Senate File 2298 as follows:
1. Page 1, lines 9 and 10, by striking <for at least the six consecutive months>

By JANET PETERSEN

S-5048 FILED MARCH 6, 2014

Fiscal Note

Fiscal Services Division

SF 2163 – Child and Dependent Care Tax Credit (LSB 5622XS)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

Senate File 2163 modifies the requirement that the Iowa Child and Dependent Care Tax Credit be calculated as a function of the federal tax credit. Under the federal calculation, the tax credit can be limited by a lack of federal tax liability for the taxpayer. The change will allow the taxpayer to benefit from the full Iowa tax credit even in instances where they were not allowed the full calculated federal credit due to insufficient federal tax liability. This Bill is effective upon enactment and applies retroactively to tax year (TY) 2012 and after.

Assumptions

- To receive the benefit of the retroactive applicability of the change for TY 2012 and TY 2013, impacted taxpayers will need to file amended returns for those two years.
- Only taxpayers with at least a $50 benefit will file amended returns. The number of amended returns is projected to be 8,700 for TY 2012 and 8,100 for TY 2013.
- The refunded tax revenue, including interest, that results from amended TY 2012 and TY 2013 returns, is $7.0 million. The refunds will occur in FY 2015.

Fiscal Impact

The changes to the calculation of the Child and Dependent Care Tax Credit are projected to reduce net General Fund revenue by the amounts in the following table. The fiscal impact continues after FY 2018 at a similar level.

Fiscal Impact - SF 2163
Child & Dependent Care Credit
In millions

	General Fund Revenue Reduction
FY 2015	$ -10.0
FY 2016	-2.8
FY 2017	-2.7
FY 2018	-2.6

The processing of 16,800 amended returns and the issuance of the associated tax refunds will result in an estimated administrative expense to the Department of Revenue of $32,000.

Source

Department of Revenue

/s/ Holly M. Lyons

March 5, 2014

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

LEGISLATIVE SERVICES AGENCY
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Fiscal Note

Fiscal Services Division

HF 2273 – Vehicle Registrations and Levee & Drainage Districts (LSB 5748HV.1)
Analyst: Adam Broich (Phone: (515) 281-8223) (adam.broich@legis.iowa.gov)
Fiscal Note Version – As passed by the House

Description

House File 2273 relates to vehicle registrations and levee and drainage districts. This Bill makes the following changes:

- Allows an annual vehicle registration credit to be claimed by the owner's spouse. An annual registration fee credit may be claimed for a vehicle that has been sold, traded, or junked.
- Exempts trailers purchased for the purpose of renting to users from the fee for new registration. To qualify for the exemption, the rental must be subject to Streamlined Sales and Use Tax.
- Allows county treasurers to destroy levee and drainage district assessment records and accompanying documents required by Iowa Code chapter **468** after 10 years have elapsed from the end of the fiscal year that the assessment was paid off.
- Removes a provision that requires that levee and drainage district assessments of $20 or less be paid in cash.

Background

Currently, annual vehicle registration fee credits may only be claimed by the owner of the vehicle. The fee for new vehicle registration is 5.0% of the purchase price of the vehicle. Vehicles purchased by businesses for rent to other users are exempt from the fee for new registration. Trailers do not qualify for this exemption.

Assumptions

- The number of spouses that may claim an annual vehicle registration fee credit is unknown.
- Permitting the destruction of levee and drainage district records and allowing cash payments will not alter county operations.
- The Department of Revenue estimates that 72 business entities purchased 553 trailers in FY 2013. This fiscal note assumes that the same number of businesses will purchase the same number of trailers.
- The Department of Revenue estimates the average taxable sale price of trailers sold to rental companies in FY 2013 is $8,137.
- The Department of Revenue estimated an increase to the taxable sales prices for exempt trailers using forecast consumer price index estimates. This fiscal note assumes these estimates in the calculations.
- This fiscal note assumes that FY 2015 will be the first year impacted by the trailer exemption.

Fiscal Impact

HF 2273 is estimated to reduce revenue to the Statutory Allocations Fund as shown in the following table.

Estimated Statutory Allocations Fund Impact

Fiscal Year	Fiscal Impact
FY 2014	$ -
FY 2015	-229,000
FY 2016	-234,000
FY 2017	-240,000
FY 2018	-245,000
FY 2019	-251,000

Sources

LSA Calculations
Department of Revenue

/s/ Holly M. Lyons

March 6, 2014

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.